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LIBERIA AND UNITED STATES POLICY

TUESDAY, DECEMBER 10, 1985

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
SUBCOMMITTEE ON AFRICAN AFFAIRS,
Washington, DC.

The subcommittee met at 10:05 a.m. in room SD–419, Dirksen Senate Office Building, Hon. Nancy L. Kassebaum (chairman of the subcommittee) presiding.

Present: Senators Kassebaum, Pressler, Murkowski, Pell, Dodd, and Kerry.

Senator KASSEBAUM. The hearing will please come to order.

It is a pleasure to welcome Assistant Secretary of State Chester Crocker to our hearing this morning regarding Liberia and United States policy.

Thank you, Dr. Crocker.

STATEMENT OF HON. CHESTER A. CROCKER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS, ACCOMPANIED BY AMBASSADOR HOWARD WALKER, DIRECTOR, OFFICE OF WEST AFRICAN AFFAIRS

Mr. CROCKER. Thank you very much, Madam Chairman.

I'm very pleased to be here before the committee today to give our assessment of recent developments in Liberia and the consequences for our foreign policy in that country.

To summarize the prepared statement which I have submitted, the United States and Liberia have a long, special history of friendly relations, and we have important interests in that country.

Senator KASSEBAUM. Excuse me just a minute. I am getting signals that people cannot hear in the back of the room.

Thank you.

Mr. CROCKER. For these reasons, we have taken a special concern in Liberia's efforts to put itself on a course of stability, national reconciliation, democracy and economic growth following the overthrow of the previous government in 1980.

We have been active over the past 5 years in encouraging Liberian authorities to live up to their promise to usher in a new day in Liberia which would extend to all of its citizens for the first time the right to vote and to participate equally in their country's political and economic life.

Those efforts were centered on holding elections in October of 1985 for a return to civilian rule in January of 1986.

There were a number of criticisms of the October elections, and we share some of them, as the Liberian Government knows, but the elections had some positive aspects as well.

Four political parties competed in an open election campaign that was covered by a variety of newspapers, not all of them government owned.

Those are rare achievements in Africa and elsewhere in the Third World where too often one party elections covered by a single government-owned newspaper are the norm.

Large numbers of Liberians went to the polls on election day, which by all accounts were free and open.

As you know, the vote itself was counted behind closed doors by a government-appointed commission of some 50 people drawn from various walks of life.

This performance established a beginning, however imperfect, that Liberia and its friends would use as a benchmark for the future, one on which they want to build.

Samuel Doe and his political party were declared the winners. The opposition parties disputed those results and are prepared to challenge them in court. Meanwhile, Doe called on all citizens for national reconciliation, as did leading religious and other members of the community.

The prospects for national reconciliation were brightened by Doe's claim that he won only a narrow 51 percent election victory, again virtually unheard of in the rest of Africa where encumbent rulers normally claim victories ranging from 95 to 100 percent.

Doe's public acknowledgment that a large segment of society supported other points of view than his own offered the prospect that he would accommodate other interests in the formation of a new government which he would lead.

He seems to have been moving in that direction in October. We understand he was considering appointment to important posts in his new government of some Liberians of proven talent who were not members of his party and that some of them were moving toward accepting such appointments.

The coup attempt that took place on November 12 of this year set back those prospects that Liberians might be finding a way toward a measure of national reconciliation that would enable them to get on with the business of addressing their pressing economic problems.

The alleged involvement in that coup attempt by some opposition leaders and the violence committed by both sides on the day of the coup attempt and the days that followed have left bitter scars.

There is no evidence that the leaders of either side condoned, much less directed the violence against civilians which some of their supporters committed.

Rumors about the scale of the violence far outstripped confirmed reports, as we are beginning to learn, and opposition leaders previously rumored to have been killed are now confirmed to be alive.

We must try to help Liberia get back on the track of political stability that is so essential for economic growth, the path of national reconciliation, of democratic practices and respect for human rights.

We cannot walk away from what many in Africa see as our special responsibility in Liberia, from the welfare of nearly 5,000 Americans who live there and from some important real interests that we have in that country whose people and government have been and remain today among our best friends in Africa.

We have already begun to try. It is essential that we use our influence and have a basis for influence with the authorities in Monrovia who last month won a showdown of force with their opponents.

We are trying to encourage Head of State Doe to take measures that will win his government the national support so necessary for the period of economic austerity and enlightened economic actions that Liberia faces in the months ahead.

In the economic sphere, the United States has been encouraging the Government of Liberia to make policy changes necessary for economic stabilization, changes which would put Liberia back on the path to long term growth.

Liberia's public sector suffers from a chronic cash shortage which can have a profound effect on Liberia's business climate.

Any Liberian government will face this problem for years to come, no matter how responsible its policies. The problems were being addressed through combined United States, IMF and World Bank programs, but during the elections period in Liberia the IMF program lapsed.

Liberia must now undertake major steps to restore its economic credibility. U.S. assistance will be badly needed to keep the arrearages to the IMF and others from building to a point which could permanently estrange Liberia from international financial institutions as well as private creditors.

Such a development would not be in the United States interest or in the interest of Liberia, because it would foreclose the possibility of stabilizing the economy and restoring growth there.

Beyond these economic issues, we want to encourage the Liberian Government to take measures that promote respect for human rights. We are counseling all Liberians, in and out of government, to put the interests of their country first.

Let me give a few illustrations. Within the past month we have urged the Liberian Government to promote visitors to those civilians who are detained on suspicion of complicity in the November coup attempt. That should clear up uncertainties about their welfare.

Second, we have urged the Liberian authorities to move quickly to hold the open trials in civilian courts that they have promised for civilians suspected of involvement in the coup and to permit outside observers such as locally based diplomats and a representative of the American Bar Association which has expressed an interest in observing the proceedings.

Third, we have urged the Liberian Government to take concrete measures such as arrest of persons guilty of continued acts of retribution if Head of State Doe's public appeals for an end to such violent acts were to go unheeded.

Finally, we have urged the Liberian Government to continue to seek ways to promote national reconciliation so that the energy,

the talent and the support of all Liberians can be used to address the difficult economic problems the country faces.

We are somewhat encouraged by recent moves by the Liberian Government. Families have begun to visit civilian detainees. Already several persons previously rumored to have been killed have been seen to be alive and well.

Seventeen civilian detainees, including the leaders of two opposition parties, have recently been released for lack of evidence against them.

The Government says it intends to move quickly to begin civilian trials. Our Embassy in Monrovia learned yesterday from a cabinet official that the date of civilian trials would be announced later this week and that defendants would be tried by a jury of their peers and represented by counsel of their choice, and that those trials would be open to attendance by the local diplomatic corps and the international press.

We have also been told that at least two American human rights organizations have been approved to send observers to these trials.

Head of State Doe has called publicly for an end to acts of retribution. His government is moving forward with plans to inaugurate civilian rule next month.

He continues to urge opposition parties to take their seats in the legislature, even those currently facing charges of complicity in the coup, if they are not convicted and sentenced.

Madam Chairman, we, for our part, will look to Head of State Doe as President to make good on his stated intention to seek national reconciliation as he forms his new government.

We note that also some leading members of Liberia's private sector are leaning to the view that the time has come to join in efforts at home to save their country at this critical time.

The road ahead will be difficult and uncertain for all, but for us it is difficult to imagine a course of action that offers better prospects for achieving what we want to do. We want to influence the Liberian Government to act in ways that I have just mentioned to promote national reconciliation and respect for human rights.

We want to encourage the Liberian Government to institute needed measures of economic reform that will restore Liberia to international creditworthiness and that will improve its economic management, both key requirements for reversing the economic decline of that country.

We want to carry out an economic assistance program in Liberia to improve the standard of living and quality of life for all the Liberian people with whom we have such strong historic ties.

These goals are worth pursuing on behalf of the aspirations that Americans share for Liberia and of our important interests there.

As we follow this path, we will carefully assess along the way what has been achieved and the options before us. We look forward to working closely with the Congress in this effort.

Thank you very much.

Senator KASSEBAUM. Thank you, Dr. Crocker.

I certainly agree with you that the goals that you outlined are important to us, important to Liberia and are worth the effort, but the motivation for this hearing has been my concern that conditions in Liberia may be such that these goals are going to be ex-

tremely difficult to realize, and that was the purpose of trying to explore the focus of our policy, what it can do to help realize these goals, both short-term and long-term.

I have thought that in many ways Head of State Doe had little understanding of the seriousness of our concern about conditions as they exist in Liberia and the seriousness of the elections, and I would like to ask you how you view the handling of the elections.

Was there an attempt to even conduct them in such a manner that they could be credible, particularly in the counting and the assessment of the results of that counting?

Mr. CROCKER. Madam Chairman, just to pick up on the first point, we have made it our purpose consistently in the lead-up period to these elections to underscore the great importance that all Americans attach to the commitment which Head of State Doe had made to holding elections and a return to civilian rule, so there could have been no doubt in his mind that we in the administration and people in Congress across the spectrum attach great importance to this.

This was the first grassroots elections experience of this kind in Liberia's history in which the people throughout the country were to have an opportunity to fully participate.

The elections commission made a serious effort, we believe, to organize a credible election. There were charges in the lead-up period of intimidation of various parties. These charges flew back and forth.

I think our basic assessment would be that election day was a remarkable achievement, given the history, given the lack of experience.

Where the issues become much more complex and much murkier had to do with what happened after election day. There were a lot of allegations that were thrown back and forth about the way ballots were physically handled.

There was a decision by government to have a recount to be conducted behind closed doors by a government-appointed commission of some 50 people. The opposition party was not represented formally on that commission, but these 50 people were drawn from many walks of life.

So, we have no basis for validating or invalidating factually the recount that was announced.

The only other point I would make is that clearly the opposition did well enough to earn, I believe, 20 percent of the seats in Parliament according to that commission; clearly did well enough so that Head of State Doe announced he had won 51 percent.

We are not in a position to confirm or deny those figures or any others.

Senator KASSEBAUM. His party won 80 percent, did it not, in the Parliament?

Mr. CROCKER. In the Parliament, yes; according to the announcements, yes.

Senator KASSEBAUM. I think in this country, anyway, a good politician might read that as support for the party but not the leader.

I do not know if it is read the same way there, but there must be some discrepancy in, I would think, those figures as far as how it relates to his own counting at the polls in the presidential vote.

Mr. CROCKER. I cannot comment beyond this, because we simply do not have access to the ballots ourselves or the counting procedure, which we have no information about.

I would simply note, though, as I tried to make the point in my opening statement, that we do not see that many African leaders after an election who would be prepared to state that 49 percent of the people supported somebody else.

It may be a reflection on his part that he knows he needs to reach out and broaden the base of his government.

Senator KASSEBAUM. Given that assumption—and I would certainly agree with you that we cannot translate our own sophisticated views toward elections to someone else who is just beginning that process—I think that an even larger question underlies it, and that is the credibility of the process and the question of who won the election and how it was all handled.

I think that it almost makes a mockery of the process, and I would hope that as we proceed—and I think that is the purpose of this hearing today, because enough questions have been cast about the election that I think it is questionable from all sides—that we will focus on what we can do about it and how we can assert the best possible pressure and leverage to see that the short-term conditions improve, and what we believe it is important to ask for.

You have stated several things what I think would be absolutely essential for any improvement in economic conditions and investments and our own interests there.

We supply, as you know but to state it for the record, the highest level of aid per capita to Liberia or any country in sub-Saharan Africa.

There has been a question as to how these funds have been used, and I believe our aid has averaged over the last 5 years of Head of State Doe's leadership about $85 million a year.

This is one-third of their national budget, as I understand it—a large, large contribution on our part. I think that we have to ask ourselves what is being accomplished by that very generous support, and if there is some way that we can use that support to influence the change that is going to be essential if there is going to be any type of stability in the country.

Mr. CROCKER. Well, it is our intention and we share that goal, Madam Chairman, to use the influence, if you will, that we have through our historic relations, through our significant aid programs to encourage those things which I think you would want us to encourage.

One point that I did not mention but which we are also clearly weighing in on is the importance of proceeding with the challenges that have been initiated by the opposition leaders which had begun to work their way through the election commission and the courts prior to the coup.

We believe that due process should be followed in that regard.

Senator KASSEBAUM. Do we have any plans regarding future aid at this point prior to some of the trials and the protection for the opposition that you have just mentioned? Will we see these things occur before any future aid will be sent?

Mr. CROCKER. Well, we are still, as you know far better than I know, Madam Chairman, in a rather complex budgetary situation

in terms of fiscal year 1986. We do not yet have worldwide assistance levels established.

We do not yet have a CR and so forth. I think the first point I should say is that we have not made any decisions in this regard.

Second, it is very much our intention to weigh these with the factors, political factors, human rights factors, due process factors, as we make those decisions.

We also must keep in mind the economic factors, the status of ongoing development projects, the effort to try to restore some framework for Liberia's international creditworthiness which has lapsed very badly in recent months.

Some of the things we have been talking about are happening now. For example, trials starting this week, so I don't envisage us waiting forever, but we clearly are watching the situation very closely.

Senator KASSEBAUM. Are ESF funds available and used by Liberia to pay IMF and World Bank debts, which would be the only place that ESF funds are used for that purpose?

Mr. CROCKER. Our ESF funds are used in an overall balance of payments context, and clearly we are looking at all the different creditor claims on Liberia, not simply those that happen to be from the IMF or from the World Bank.

In practice, obviously if there is an inflow of funds they can be used to pay off various claims as well as to enable Liberia to proceed with its overall development plans.

Liberia's credit situation, however, at this point is in very bad disarray, and there is not an IMF context of any kind. The arrearages from the IMF are one major part, but there are various other forms of outstanding obligations not being met.

Our concern as we look down the road, is that Liberia operates on a dollar currency; our dollar. It is one of the very few countries in the world, and I can't think of other examples which come to mind where that is the case.

This provides a remarkably open climate for our private sector and for Liberia's private sector. It is a great advantage.

If the international financial climate continues to get worse for Liberia, however, one of two things will happen. Either the arrearages will continue to pile up or they will have to monetize their deficits one way or the other; print money, which could put them ultimately off a dollar standard and require them to go towards some form of nonconvertible or soft currency.

We cannot think of that as being in our interests or in the interests of Liberia, so these are the broader considerations that we have to look at.

Senator KASSEBAUM. Senator Pressler.

Senator PRESSLER. Well, in West Africa, how do the standards compare? How do the standards for election compare to some of the countries surrounding Liberia?

Mr. CROCKER. Well, Senator, I am paid to be a diplomat, so you will forgive me for trying to answer your point in general terms.

We have seen a multiparty election which was followed not too long thereafter by a coup in Nigeria, for example, in the last couple of years.

We have seen multiparty elections in Senegal in recent times. That country has a strong tradition of multiparty elections.

Right off the top of my head I do not think of too many other democratic experiences in West Africa that one would call multiparty in that sense. There are, in fact, a large number of countries in the region which are either outright military dictatorships, if you will, or single party-based regimes that have been in office since time immemorial and may stay that way.

So, in an African context Liberia's experiment was not only an important one for Liberia which does not have a strong tradition of grassroots democracy but also for West Africa.

A lot of people, I think, were looking at this exercise with interest.

Senator PRESSLER. How did the human rights issues such as trials and so forth, compare in that region of the world with Liberia and the other countries around it?

Mr. CROCKER. It would be hard to make sweeping judgments. I think if I look back on recent years', human rights reports, for example, we would note that there have been some cases when newspaper people have been threatened or detained or a newspaper closed down in Liberia.

There have been cases of police excess on the campus of Liberia's main university. There have been instances of that kind, and of course we have the recent coup and the violence, the settling of scores that took place during the coup, but I do not think we would put Liberia in a regional context near the top of the list for human rights violators.

On the contrary, as I mentioned——

Senator PRESSLER. Who would be on the top of the list, more or less?

Mr. CROCKER. Well, I would not have much hesitation, I guess, in putting Ethopia at the top of the list in a very different situation.

Senator PRESSLER. In West Africa, who would you put at the top of the list?

Mr. CROCKER. You are asking me not to be a diplomat, Senator.

Senator PRESSLER. I am just wondering.

Mr. CROCKER. There clearly would be cases one could point to where there simply is no freedom of expression at all; countries with which we might have friendly relations but in reality there is a single party and it runs everything.

I am not saying that there is brutality so much as just a single monopoly of power. I suppose Guinea before the 1984 change of government would be a case like that. In fact, Burkina Faso, Ghana, Mali, Niger, Mauritania, Ivory Coast, Benin, Togo, Guinea, Nigeria, Sierra Leone, Cape Verde, and Guinea Bissau have military or single-party governments.

Senator PRESSLER. So, in West Africa then this is pretty much par for the course both in an election sense and in a human right sense, is that what you are suggesting?

Mr. CROCKER. I do not really think it is par for the course, Senator, as kind of a special experiment which had real imperfections, but it was an experiment in which many Liberians participated with real enthusiasm. It was their first shot at something like this.

The outcome obviously fell short of expectations, but we feel that there is something of a double standard being applied if we single out Liberia for a sort of special review and a special standard at a time when, looking across Africa, there are not too many other democratic experiments being tried.

Senator PRESSLER. Which democratic experiences in Africa are successful, in your judgment?

Mr. CROCKER. Well, I mentioned Senegal, which has a pretty long record in this regard. There have been periods of real flourishing, active democracy in Nigeria that have oscillated with periods of military rule.

Senator PRESSLER. But today, I mean, there have been periods in lots of countries today. Which African countries?

Mr. CROCKER. Botswana would be another country one could point to.

Senator PRESSLER. That is in South Africa, though; but in West Africa, what examples?

Mr. CROCKER. I wish I could point to more, Senator.

Senator PRESSLER. I guess that was the point I was trying to get at; so in other words, maybe we are seeking an almost impossible standard.

Mr. CROCKER. Well, there have to be two points to the answer on that one. I think we are seeking a high standard. I think we are right to do so, because of our historic interest with Liberia and the fact that there is really a kind of unique relationship there.

Many, many Liberians have married Americans. There is a flow of students and other business people in both directions. Liberia was really founded by Americans, so that, I think, explains our interest.

I also feel that we must recognize the regional context we are dealing with and the fact that until this election there really had been nothing like it before in that country.

Senator PRESSLER. My final question would be, could you analyze the American business community, how all this has affected them, and what future for United States foreign investment activities is there in Liberia?

Mr. CROCKER. Well, Liberia, Senator, is the third largest source of United States foreign direct investment in sub-Saharan Africa in a variety of industries there, both raw materials industries and processing, commerce, banking, and so forth.

I think the United States business community is concerned to have a stable political climate, but it above all would like to see Liberia get back on the path of economic growth. There has been such a crisis of confidence in recent years there that a lot of money has left the country, and I am sure unless we can get a context where money starts to grow back that our business people will have a lot of questions in their minds.

I do not think they want to leave, but they are also worried about the climate.

Senator PRESSLER. In conclusion, I sense a kind of hopeless feeling about the development of democratic institutions in West Africa and a hopeless feeling about the development of Western standard human rights in that area.

Will you share that assessment? Liberia would be a part of that.

Mr. CROCKER. Maybe I am too much the idealist at times, Senator, but it seems to me that it is our goal to push what we believe in and not to be reticent but to do so in a way that is most effective. That is what is of vast concern to the administration; how can we effectively push our goals and not produce reverse consequences or counterproductive consequences.

I also feel that if we conclude that human rights are hopeless in Africa that that will perhaps not encourage the many Africans who do believe in human rights and want to see an improvement in human rights in their own countries.

We have to articulate what we believe in, but do so in an effective way.

Senator PRESSLER. Thank you very much.

Senator KASSEBAUM. Thank you.

I have a couple of other questions I would like to ask. One is regarding the observers at the trial.

You mentioned there were two human rights groups that would be invited to observe. What groups are those?

Mr. CROCKER. Perhaps I could ask Ambassador Walker—whom I did not introduce, and my apologies—the Director of West African Affairs in the African Bureau, to take that question, Sentator.

Senator KASSEBAUM. Ambassador Walker?

Ambassador WALKER. Chairman, we understand from our Embassy in Monrovia that these applications will be approved for a representative of the American Bar Association who had expressed an interest in going out and another organization, and that person would also be representing the International Human Rights Law Group.

Senator KASSEBAUM. Well, it had been my understanding that a visa had been denied to the ABA. Has it been granted?

Ambassador Walker. Our information yesterday, Madam Chairman, was that a visa would be approved in time for a representative of those organizations to travel to Monrovia in time to observe the trials.

Senator KASSEBAUM. So, that is a matter of record at this point?

Ambassador WALKER. That is the information that was given by a senior Liberian Government authority to our embassy in Monrovia.

Senator KASSEBAUM. Will Amnesty International or any other groups be there at that time?

Ambassador WALKER. I do not know if the request has been made or if it has been considered by the Liberian Government.

Senator KASSEBAUM. What has our Embassy's role been with the detainees up to this point? Have we been in contact in any way?

Mr. CROCKER. Madam Chairman, again I might ask Ambassador Walker to go into more detail.

He was there more recently than I was, but we have been in constant contact with various top levels of the government on all issues that I stress, including the question of access to detainees by their families, by outsiders, by media and making certain that the press, for example, could see evidence that these people are being treated decently and were, in the first instance, alive.

Also on the issue of due process and access to courts and access to counsel, we have weighed in on all these points.

Ambassador WALKER. Just to reinforce what Secretary Crocker said, we have from the beginning urged quick access by outsiders to those in detention, and that access has begun with their families. We would like to and we are continuing to urge that it be extended.

Senator KASSEBAUM. The press has not been able to visit any of the detainees? It has just been the families?

Ambassador WALKER. To my knowledge, they have not. That is right.

Senator KASSEBAUM. Have any of our Embassy personnel been allowed to visit?

Ambassador WALKER. Embassy personnel have not visited any of the detainees to this date.

Senator KASSEBAUM. To just sum up what you would believe would be important, Secretary Crocker, it would be fair trials, observers that can attest to that process, and a seating of the legislature with the participation of opposition representatives, which you say will be the first of the year.

Is there an exact date when the legislature will be seated?

Mr. CROCKER. I think it is scheduled for January. I do not have the exact date.

Ambassador WALKER. The inauguration of the civilian government, Madam Chairman, is now scheduled for early January. When the date the legislature, the new legislature, will convene has not yet been established, but the Government in calling for members of the opposition to take their seats indicates that the legislature would be convened as called for on schedule.

I do not know what exactly that schedule is.

Senator KASSEBAUM. It seems to me that it would be very important to have that in place and an accomplished fact.

Mr. CROCKER. We agree with that. We also feel that the whole question of reconciliation, Madam Chairman, is one of the things we are going to be looking at, by which specifically I mean efforts to broaden the base of government.

Before the coup, as I mentioned, there were indications that Head of State Doe was headed toward seeking to have a number of top appointments and key appointments who might be drawn from beyond his own political party.

The coup has scarred feelings between the government and opposition leaders. We do not know what the prospects are now, but we do feel that it would be a major step forward if there could be some healing by a broadening of the base of government.

Senator KASSEBAUM. Were there any other countries involved in the coup effort?

Mr. CROCKER. Clearly the coup was launched from across the border of a neighboring country.

There have been some public accusations back and forth between Sierra Leone and Liberia which would lead one to suspect that that might have been the place from which the former army commander Quiwonkpa organized his operation.

There are some efforts underway, we believe, to try and get channels reopened between Sierra Leone and Liberia.

Senator KASSEBAUM. Can you suggest a way that we could have greater accountability for our funds going to Liberia?

There have been accusations, I believe, that there is some $48 million that is unaccounted for. Now, those may be only that—accusations. But it seems to me that accountability for funds is very important, and I wonder if you could suggest anything that could assist us with that?

Mr. CROCKER. Senator, I might want to get something for the record on that point.

I am not aware of any such specific allegation of $48 million in missing money. I think we do have, through AID, very rigorous procedures for auditing and accounting and so forth, but I would certainly want to check on that and get you something for the record.

We do have substantial programs in Liberia in the area of Public Law-480, the ESF program which is of key importance on the balance of payment side.

We have regular development assistance projects. We have Peace Corps presence, and we have a small security assistance program as well.

When you add all that together, it is a substantial program but I am not aware of missing money, and I would certainly want to check into that.

Senator KASSEBAUM. Thank you.

Senator Kerry.

Senator KERRY. Thank you, Madam Chairman. I apologize for being late.

I would like to congratulate the chairperson of this panel for her efforts. I know her statements have been straightforward and direct with respect to this issue, and I personally concur with her approach on it, and I just want you to know that at the outset.

I think, tragically, once again we are seeing democracy trampled underfoot in yet another part of the world in which we are paying exorbitant amounts of money for what we are getting.

I think it is very unfortunate, obviously. What bothers me also is I suppose that there has sort of been a silence. I do not know if it is inadvertent or if it is purposeful, but I think there has been a silence from the State Department with respect to what has been happening there, and I am certain that if it were a Communist conspiracy that was somehow afoot there, it would be a whole different kind of response, and I hate to see the forces of democracy abandoned, as I think many people feel they are.

The New York Times noted on November 18 in an editorial, which I would like to just excerpt a couple of parts of. They said:

> Though the 1980 coup was bloody and was followed by spot executions, the grayest hopes among the long excluded African majority, brutality, corruption and depression smothered the hopes.
>
> When General Doe, bowing to American pressure this year, staged Liberia's first multiparty election, he depended on coercion and fraud. The most formidable opposition candidates were excluded. Still the electorate rejected the Doe regime.
>
> Western diplomats believe the real victor was Jackson Doe, the candidate of the Liberia Action Party. General Doe nonetheless had himself declared the winner.
>
> Much of the Doe regime's budget comes from United States foreign aid. Congress has stipulated that this aid should be suspended if the State Department determines that the elections were not free and fair. They were not.
>
> General Doe rules by force and fraud. He should no longer be permitted to do so with the support of the American taxpayer.

I personally agree with the Times editorial, and I think it is time that the United States stop playing Uncle Sucker to this dictator, and I think it is time for the Africa Bureau to start getting serious about supporting the democratic forces.

So, I would like to ask you, Mr. Secretary, a number of questions.

First, the U.S. Embassy in Monrovia fielded nine teams of election observors. What did these teams report as to who was the winner of the October 15 election?

Mr. CROCKER. Senator, I think I can start by making it abundantly clear that if there has been one single source of continuous encouragement as well as pressure for a democratic election, it has been this Government with the strong support of Congress for the past 3 years and more.

We have made it a top priority in our relationship with the Doe government to keep the election schedule on track, to encourage the work of the elections commission so that we would be able to organize for this process.

We have done everything we knew how to stress the importance in terms of our bilateral relationship in terms of our aid levels, of having an election.

Now, to get more specifically to your point, we have called repeatedly, as I indicated before you joined us, since the election and since the coup for things to get back on the track, for due process to be respected, for access to civilian detainees and so forth.

But on your question about election day, we did have teams fielded throughout the country and what came back to us in our reports was that this was indeed a remarkable experience on election day, and that many people participated.

There were some allegations running back and forth between parties as to how many observors there were at different polling stations, but on the whole the report that came back was that election day went remarkably well.

We obviously were not in a position to count ballots on election day or thereafter, so I cannot make a judgment on that.

Senator KERRY. Well, let me just pursue that a little bit if I can.

It is my understanding then that you are saying that the nine teams specifically reported that the election was fair. Who did they say was the winner of the election?

That is my question. Who did the teams say won the elections?

Mr. CROCKER. Well, our elections teams were not in a position a make such a judgment.

Senator KERRY. Well, did they report to you who won or who lost?

Mr. CROCKER. They reported the conduct of the election, the way people were treated, the access to secret ballot, such things as that.

Senator KERRY. They said nothing about the outcome, who was the victor?

Mr. CROCKER. No. They were not in a position to do that because they did not observe the ballot counting. It took some time for ballots to be collected, and then there were the beginnings of allegations about the handling of the ballots, but it was a credible length of time before any result was announced. We were not ballot counters, so we at no point were in a position to make a judgment as to who won.

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Senator KERRY. That is absolutely the crux of it. I mean, we are going through an exercise right now about the Philippines. We just had an election in Guatemala.

It really doesn't matter. You can have an election in which everybody votes, they walk in and they cast their ballot, but if you don't know that the people who counted were actually counting what was put on the ballot, it is not an election, is it?

Mr. CROCKER. Senator, I think the point I would suggest is the following: That we witnessed a situation where there were allegations of ballot fraud; there were allegations that flew in several directions, not just one.

Shortly thereafter the Government decided to have a recount of ballots. It appointed a 50-member Government-appointed commission to recount those ballots, drawn from people from various walks of life.

We were not amongst those who were asked to count the ballots. Clearly this was done behind closed doors and that only fed suspicions. That much is clear, but we do not know what the actual result of that election was.

I stressed before you entered the room that Head of State Doe himself admitted—which is rare in Africa—that 49 percent of the people chose another candidate, clearly implying that he recognizes he needs to broaden his base.

But beyond that, I really can't go.

Senator KERRY. Well, let me ask you this, then.

Would you provide the committee all the reporting cables prior to, during, and after the elections, including all information regarding the vote tally?

Mr. CROCKER. We will certainly get you some information about it.

Senator KERRY. That is not what I am asking for. I do not want some information. I would like you to provide us the reporting cables—which we are, I believe, entitled to—prior to, during, and after the election.

Mr. CROCKER. I will have to check with my superiors on whether we can provide our actual reporting cables, Senator.

I will certainly take that request back to the Department.

Senator KERRY. All right. I would appreciate that.

Now, in view of the denial of free affiliation, absence of habeas corpus, right to a fair and speedy trial, the indiscriminant, use of force by the military against civilians, rampant corruption and what most Western diplomats, perhaps not our own but most Western diplomats, have alluded to as fraudulent elections, why should the United States contribute some $19 million a year to what is clearly an unpopular and unstable regime?

And maybe you answered this before, and I apologize, but I would certainly like to hear why should we provide $19 million a year to what is clearly an unpopular and an unstable regime which is not committed to those things I enumerated?

Mr. CROCKER. Senator, two points, I think, that needed to be stressed.

We are seeking to promote Liberia's development in the broadest sense. Much of our aid goes directly to rural development projects.

Much of it goes to feeding programs. Much of it goes to the Peace Corps.

There are a variety of programs that we have in place in Liberia, and we believe that it is essential to rebuild a context in which Liberia has a chance of turnipg the corner from the recent experience of economic decline, get back on its feet economically both for reasons of the people in general there but also of Liberia's private sector which is a vital component of any chance to turn that situation around.

So, I think we have to recognize that we have economic interests there as well.

Senator KERRY. Mr. Secretary, again I have only been here for almost a year now, and I know that is awfully short in terms of Washington experience, and I am very mindful of that. I really am.

But I guess, like any citizen in this country, I have been reading the papers and watching this process for some 20 years and arguing about wars and other things over that period of time.

We keep chasing that sort of elusive—well, it is essential to this and it is essential to that, and we have got to help the private sector, and we are putting some money in here, and it is going to come along, it is going to come along, the old light at the end of the tunnel argument.

No matter what is happening, we always seem to see the light at the end of the tunnel, but it seems as though we never are willing to send a clear message.

We are never really willing to fish or cut bait. We are never willing to say, folks, you are not living up to the standards. Sorry. No aid.

Here we are with Gramm-Rudman. Here we are with Amtrak cuts; women, infant children cuts; education cuts; countless priorities in this country, and I have got to go back, and the Senators from Kansas and South Dakota, they have got to go back and tell their citizens, hey, here is why we are giving $90 million dollars to these people, but sorry, we cannot help you in your district.

These people will not even have a fair election. They will not even have anything. Now, at some point it seems to me there may be downside repercussions, but do we not have to decide that on balance it is worth taking those risks to stand for something?

Mr. CROCKER. Senator, I would like to think that our record in the case of Liberia is one of standing for something loud and clear and tall over the past 5 years.

The context needs to be looked at. Liberia, until this election, had never had a grassroots democratic election experience until the coup that brought these guys into power in 1980.

There never had been grassroots participation. It had been done, as you said in the New York Times article, by a narrow elite. This is the first time in Liberia's history that we have seen such an election. Warts and all, it is a beginning, and I think that is part of what we are saying.

We are also saying that if you look at the regional context around Liberia and you apply the same standard, you could eliminate an awful lot of our aid programs.

Senator KASSEBAUM. Excuse me. We have a vote on.

Senator PRESSLER. While they are deciding, let me say I would like to see a comparison of the countries in that region on both human rights standards and on elections so we can see if we are setting an impossible standard here.

I have been trying to understand African policy, and I cannot. Maybe you can give me some comparisons that would help me.

Mr. CROCKER. We will try to provide that, Senator.

Senator KASSEBAUM. I believe we will just recess, Dr. Crocker, because there are some other questions that we would like to ask.

Mr. CROCKER. OK.

Senator KASSEBAUM. Thank you. We will be right back.

[Whereupon, the subcommittee proceeded to other business.]

Senator KASSEBAUM. The hearing will resume.

Senator Kerry.

Senator KERRY. Thank you. Thank you for your patience. I am sorry.

You were answering my question about standing for something, and I did not mean to cut you off at all, so if you want to complete that, I am delighted to give you the chance to do so.

Mr. CROCKER. Thank you very much, Senator.

I was beginning to reply to your point about what we are standing for and what our assistance programs are designed to accomplish.

I started out on the economics side, but I also want to stress the political side. We have a consistent record, as I tried to indicate, of speaking out as loud and clear as anybody.

We are the dominant aid donor in Liberia. We use our influence, we use our access on every possible occasion to push those things that we think are important in the area of moving toward constitutional rule, moving toward democratization.

The other point I wanted to stress—and you had asked several questions about what we were reporting from the field—our reporting and that of other Western diplomats there track. There is no difference between them. They track completely.

We believe that we do have a pretty good feel for what took place on election day out there, but as I tried to indicate, we cannot be certain what took place thereafter. We were not party to all that.

Senator KERRY. Let me just ask you, then, with respect to what did take place on election day?

My indication is that Jackson Doe won. Is that correct?

Mr. CROCKER. I have no way of making such a judgment.

Senator KERRY. When you say everybody's indications of what took place were in agreement——

Mr. CROCKER. In terms of the process of conducting the election.

Senator KERRY. In terms of process. But I thought, and maybe you can correct this: Is it not true that in the vote tallies that were made on election night during which representatives of all political parties were present, that while they were present and the vote tallies were made and the reports came out that I think 63 percent of the vote went to Jackson Doe.

Mr. CROCKER. I do not have any such recall of things taking place that would produce an overall result on election night. The ballots

were all over the countryside, being moved around to collection points and counted.

Senator KERRY. Let me ask you, why do you think that a secret ballotcounting process subsequently was initiated?

Why, then, did the election commission appoint an ad hoc committee to count in secret? Why do you go from an open public thing in which everybody thinks somebody is a winner into a quiet, private ad hoc thing and come out with a new winner?

Does that not say something to you?

Mr. CROCKER. The impressions that we had around the country, Senator, to try and be more specific, in certain constituencies there was a very clear sense that one party had done well, and other constituencies that another party had done well just from seeing the crowds and talking to people and so forth.

We did not have any basis to make judgments after election night. As to why the Government did what it did, I really cannot answer that. We did not advise them to do what they did.

They chose a government-appointed body of 50 people. I must say in candor that we find it unlikely that 50 people chosen from varied backgrounds would be able to sit on a secret that is scurrilous as the one that perhaps the New York Times would suggest.

Senator KERRY. Well, not just the New York Times. I have an article from the Washington Post here, November 30:

> Ignoring laws that Doe himself approved for this election, Harmon disqualified an election night vote count made while observors from the opposition looked on. That count, the observors said, gave the election to the Liberian Action party's candidate, Jackson F. Doe, who is no relation to the head of state.
>
> To recount the ballots, Harmon created a 50-member committee comprised mostly of Doe's political backers and 19 members of his tribe. It counted ballots in secret.

I mean, you know, either the State Department doesn't know what is going on or you guys don't want to take note of what is going on.

Mr. CROCKER. I do not think that we would have any basis to make a judgment that there was an election night count that was then overturned by another body.

We never saw reports to indicate that there could have been an election night count in Liberia. There may have been a local count someplace that that report is based upon. I do not know.

Perhaps I might ask Ambassador Walker——

Senator KERRY. Are you not interested, though, that the Washington Post and the New York Times—which I admit are not always correct but certainly are not insignificant publications in this country—does that not sort of say to you, hey, maybe something is going on here and we ought to kind of get to the bottom of it?

Is there not a curiosity about that?

Mr. CROCKER. Senator, I submit that our embassy, which is a substantial embassy in Liberia, is in a very excellent position to know what took place on election day itself.

I think I will stand by those judgments. The Washington Post had a correspondent there for a period of time, but to say, to reach the judgment that this was a stolen election, that we know that Jackson Doe won that election by "x" percentage I think is a sweeping distortion based on what we have.

I am not prepared, either, to say that Sammy Doe won. He has announced that he won. We are not in a position to verify it.

Senator KERRY. I understand. Let me just say to you that the 1985 Foreign Assistance Act included a House amendment, section 807, specifying that:

> Security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a successful completion of a free and fair election on a multiparty basis and on a return to full civilian constitutional rule as a consequence of those elections.

Now, given the law, the law as it currently stands, what are you recommending to the Congress that we should do with respect to our own direction?

Mr. CROCKER. Senator, I guess two points.

There has been since that time language, report language, from the House Appropriations Committee which takes note of recent developments, including the failed coup attempt and the violence that took place in that context.

In answer to your previous question, what I indicated was that we need influence. We wish to use our influence in support of goals that all of us, I think, in this room believe in, including due process, releasing of detainees, broadening of the Government and democratization and so forth.

We have not made decision on the 1986 program. We do not have a CR yet, so we are not in full possession of the numbers that we are going to have on a worldwide basis.

We intend to take into account the strong concerns which we share about these political and civil human rights issues as we look at the development of priorities that we have, as we look down the rest of the road for 1986.

So what we are urging is that we hang in there and use our influence. We are not prejuding any decisions that might be made.

Senator KERRY. We are running up against the confinement of another vote here, and I would just like to ask you very quickly, the Liberian Government officially announced November 20 the list of 11 persons detained because of their alleged participation in the aborted crew plot, and nine persons are being held in protective custody.

Could you tell us what the present status of those detained is with respect to their human rights?

Mr. CROCKER. I would be happy to. Perhaps I could do it on paper for the record. I have a list of the status of various people. I am not sure it is the same list.

Senator KERRY. That would be fine. I would appreciate it if you could do that, and perhaps submit it for the record. That would be helpful, and also if you could, if you can, give us the expected duration of their detention.

Mr. CROCKER. We will do that as well. We have now a date for the beginning of trials of some of those who are still detained. There have been some releases, and we would be happy to provide detail on that.

Senator KERRY. And also their condition in detention, and particularly I have concern that Ellen Sirleaf-Johnson, about whom a number of my constituents are concerned and whose husband—she is detained. She went back there. She is Liberian, and she went

back to work with the opposition. Her husband happened to work for me when I was lieutenant governor, and we are particularly concerned about her condition though that does not diminish the concern that we have about the others, also.

Mr. CROCKER. We will get you all we can on that, and we share your concern, Senator.

Senator KERRY. Also for the record, I think I can ask some of these questions and you can submit them, perhaps.

The American Bar Association is having great difficulty in getting Liberian visas in order to go in and determine firsthand the human rights situation in that country.

I would like to know whether or not you can assist—why, in fact, that situation does exist and what we are currently doing about it to change it.

I would like to know why Senator Doe placed restrictions on reporting by international journalists and how that fits with our progress that we are making.

I would like to have your assessment of the state of freedom today on speech assembly and political affiliation in Liberia.

Finally, I would like to know why it is—and we have not quite gotten to the second half of the vote. Maybe you would like to tell me something about this.

We have allowed General Doe to mint a coin and introduce it into the economy, and I think it is reported that about $40 million in currency is there, of which $30 million is now in the form of this coin called the little soldier.

How can we keep track of our own money in an account where the valueless currency is now in circulation and there are certain contradictions, it seems to me, in making the kind of private sector progress you are talking about?

I wonder if you might address that.

Mr. CROCKER. We will try to address all the questions that you have put to us in written form. The basic political point that I would like to make before we break is that I think we have to recognize that Liberia's human rights situation is far from perfect.

Before you entered the room, the theme that I was trying to underscore is that you look in the regional context as well and apply the same standard, you might wind up with very bleak conclusions, indeed.

I do not think that we can measure Liberia in a vacuum. We have to look at its own history as well as the neighboring countries, and we have tried to do that.

On the economic point you just raised, perhaps I can get you something further written on that. We have seen the dollar standard in practice there for many, many years. It has helped the private sector.

If they begin to monetize their deficits and go with a soft currency, it is going to hamper business confidence. No question about that.

Senator KERRY. Mr. Secretary, I thank you for your patience and for bearing with some congressional frustrations. I thank you for the time for being here. Thank you.

Senator KASSEBAUM. Thank you, Senator Kerry.

Secretary Crocker, I would just like to say before you leave that my own support for additional aid to Liberia will really be conditioned on the seating of the legislature and on an objective and substantive reporting and accounting for the trials.

I do not think that just the inauguration of Samuel Doe as head of state assures us of the beginning of either short-term or long-term change that I think is essential, and I think it is very important for us to be able to use as leverage that assistance which is very important to Liberia and to us as well.

Thank you very much for your testimony today.

Mr. CROCKER. Thank you, Madam Chairman.

Senator KASSEBAUM. That completes the first panel. I think we will then vote and come back and resume immediately the testimony of the second panel. Thank you.

[Whereupon, the subcommittee proceeded to other business.]

Senator KASSEBAUM. The hearing will please reconvene, with my apologies. I am awfully sorry and hope that we can get through the rest of the hearing without further disruption. My apologies to those who waited patiently.

It is a great pleasure to welcome to the panel Prof. Gus Liebenow, professor of political science, Indiana University, who is an acknowledged authority and scholar on Liberia, and we appreciate very much your coming this morning.

Robert Hoen, executive vice president and chief operator of Equator Bank, Hartford, CT. It is a pleasure to have you here.

Professor Liebenow.

STATEMENT OF J. GUS LIEBENOW, PROFESSOR OF POLITICAL SCIENCE, INDIANA UNIVERSITY

Mr. LIEBENOW. Thank you, Madam Chairman. I really appreciate the opportunity of addressing the African Subcommittee. Perhaps I should say by way of background that I have been privileged to be a close observer of the Liberian scene for one-quarter of a century, starting when Tubman was President and working on through the present regime. I have also had the occasion to visit Liberia four times for extended visits since the coup of 1980. So I have been kept current.

I am the author of numerous articles and a book on Liberia—which I will say, at the risk of being immodest, has had some impact upon Liberians and the way in which they perceive their own society.

I have also been keeping in contact with many Liberians across the board. In fact, from the week preceding the election; during the period of the attempted coup, and certainly within the last 72 hours, my phone has been ringing off the hook receiving calls from a broad spectrum of Liberians—ministers, journalists, a former Ambassador, businessmen, and the whole range, people who were associated with the old regime as well as people who were associated until recently with the present regime.

I do not think they can all be inaccurate with regard to what they say about the election and the circumstances following the coup. If they are guilty of exaggeration or letting rumor take the place of fact, that fault must be laid at the feet of the administra-

tion in Liberia, which has not, contrary to what Secretary Crocker said, permitted people to have contact with those who have been detained. Political prisoners have been held incommunicado.

There has, moreover, been no free access to information. The whole circumstances surrounding the election does not give one—contrary to what Secretary Crocker indicated—encouragement. Quite the reverse. People had been led to believe that their participation would be meaningful. It has been quite the reverse.

It was not a fair election. All the things that took place beforehand with regard to the suppression of the press, with regard to forestalling the registration of parties having bona fide effective leaders, the detention of the political opponents and a number of other things certainly gave us great doubt regarding this as a great experiment in democracy.

Moreover, with regard to the counting of the ballots, with all of the discussion that has just taken place about what actually happened—whether 63 or 50 percent—we do not know the actual figures. But that is not because of what people have been reporting to us. It is because the Liberian Government itself has been keeping the electoral count a secret.

I might say, reporting a 50.9 percent victory for Samuel Doe is not convincing. If he had reported 80 percent, he would have been laughed out of court. Thus the figure 50.9 percent is excessively fine tuning to give the appearance of a democratic struggle in which he just narrowly emerged victorious.

That probably indicates, given the tight control over the process, that it was far closer to 20 percent, or to 30—being most generous. In any event, I think we do not know all the facts, but the government in Liberia must be held accountable for that, not the people who have been reporting and have been forced to rely upon rumor.

I should say, further, that I come to this committee not as one who has a knee-jerk aversion to military governments or military rule. I think the history of France in 1958 and of Turkey shows a positive impact. Even in Nigeria, there is still a residue of positive developments as a result of the military experience; such as federalism, equitable distribution of oil resources around the country, and other things as well.

Nor did I initially have opposition to the specific military regime in Liberia; nor have I been at odds consistently with the U.S. Government policy with regard to Liberia. In fact, in 1980 I was urging then Ambassador Smith that we ought to be doing more by way of buttressing the regime, which was being internationally isolated by Nigeria, of all countries, which ironically has had its own experience of ethnic bloodshed.

Moreover, I testified before the Wolpe subcommittee in the other House of Congress in 1983, urging that indeed we give Liberia full support under the AID program. I did suggest at that time that we ought to have a transfer of funds from military to more economic projects. I did recommend further that there was a certain urgency in getting ahead with basic economic development, and I did suggest that there were some violations of human rights which were then perceptible that ought to be of concern to us.

But at that point, I was wholeheartedly in support of U.S. aid to Liberia. Later that year I was privileged to be asked to introduce

Liberian Foreign Minister Eastman to a group of potential American investors in Liberia. I was personally very positive in my consultations with Amoco, Atlantic Richfield, and others, about investing in Liberia.

Thus, I have not been negative with respect to our having some concern and in fact I have been encouraging Americans to get involved in Liberia. It has only been since the beginning of 1984 that I have had to take an entirely different approach, almost a 180-degree turn, from my previous stance. In the preceding years I saw a very positive experiment in democracy unfolding, starting almost immediately on the day after the coup with the inclusion of civilians in government rather than making it a general military experience. There was also the pledge to return to civilian rule with the establishment of a very creative process by appointing a constitutional commission with some of the most respected people in the country. Indeed the members of that commission demonstrate why Liberia is a different case, since these are people who believed in democracy, who actually risked their lives and their properties, and who in some cases suffered imprisonment under the preceding regime because of their concern about democratic values. To Samuel Doe's credit, he chose the right people in terms of getting the constitutional process under way.

There were other things as well that were very promising in the first 3½ years regarding a new pluralism within the society—giving free rein to churches, and even to a free press; permitting the prudent entrepreneurs to emerge in the economic sector, such as market women. Even cooperatives were encouraged to develop. In the early Doe years not everything came under the political rubric, as had been the case under the Tubman and Tolbert regimes.

There were a lot of positive things to be said during the first 3½ years, and therefore I was in accord with what the United States Government was doing with respect to aid to Liberia. The U.S. Government had maintained a neutrality at that point with respect to the outcome of this political experiment in democracy.

Doe, at the outset, moreover had studiously refrained from using the title of president. He had made sure that there was a ban on all political discussions across the board. There was an effort at reconciliation, of not identifying any one group as being outcasts within Liberian society. So there was a healing process developed between people who were identified with the old regime—the settler community—and other new groups within the society. I think there was a genuine effort in that respect.

From the end of 1983, however, and certainly well into 1984, we saw a different scenario. At one level, we had all of the foregoing positive developments. At another level, we had a constant series of acts which contradicted all of the above. Instead of it being an open process, by July 1984 we already had a defacto "civilian" government in place and a one-party state, with patronage reserved to the party of Samuel Doe.

No longer was he relying on a broad spectrum of civilians. The press had been constantly harassed, with the suppression of "The Observer," and the arresting of editors and journalists. There was also an attack on the pluralism that I had seen in the first 3½

years, with the churches, the judiciary, the university, educators in general, and one group after another of civilians finding themselves at odds with the Doe regime.

By 1984, there had been a reemphasis upon tribalism, which was much more than there had been during the preceding three years or maybe even during the last years of the Tolbert regime. The emphasis was on the Krahn in particular in terms not only of jobs but also the willingness to create new counties along ethnic lines, the currying of favor of the paramount chiefs—all of which indicated a throwback to tribalism in many respects.

On the economic level—and one that concerned me in view of U.S. aid—was the fact that there really was not a positive addressing of the basic economic questions. I remembered frequently the very successful argument that then Governor Reagan addressed to the American people in 1980: "Are you better off now than you were four years ago?" Well, I think most Liberians, if asked that question, about themselves, would have to say decidedly "no."

If Liberians individually are better off, they have done so only by having to leave the country, and I must say that is one of the great tragedies in their affairs. There is a great pool of educated talent developed in that country—almost in spite of the Tubman and Tolbert experiments in the expanding economy. But nevertheless, to the credit of the True Wing regime, Liberia has a very well educated pool of talent. Unfortunately a great portion of that talent is not any longer at home working in Liberia. If the people who have technical competence have remained, they are very much suppressed politically and suppressed in terms of their economic aspirations. But many of them have seen fit to leave the country and put their services to work elsewhere in Africa, Western Europe, or the United States. And I think that is one of the great tragedies.

Now, I do not think the question is whether or not the U.S. Government should give the appearance of intervening by demanding that, as a consequence of roughly $500 million over the past 5 years—perhaps slightly more than actual)—that we should expect something in return. The question is not intervention or nonintervention. We have intervened, because United States money has been viewed by many Liberians as the essential element in propping up a regime that has become more and more coercive. We have intervened, whether or not we like to spell that out.

And if there is anti-Americanism in Liberia today, it is not over the threat from time to time to withhold funds, to withdraw funds, or to reduce the level of aid. Rather, it is a reaction to the use of American funds to prop up a regime that has become increasingly at odds with its own society.

The real question is the quality of United States intervention. I said before—and I certainly think it is true today—that there has been an explicit and at least an implicit assumption all along that our aid to Liberia during the past 5 years has been contingent upon a restoration of civilian rule, upon the observance of human rights, and upon a serious addressing of Liberia's economic problems.

I think on each of those three counts, the Liberian leadership under Mr. Doe has failed. And I also think we have not exerted enough pressure to keep Mr. Doe to what were the explicit if not

the implicit understandings with regard to how American aid was given. I think it is now time that we demand performance repayment for what was an understood contract between the two parties.

There are certain short-term as well as long-term considerations that have to be taken into account. I think we have to move very cautiously, if I may advise the subcommittee, with regard to how we deal not only with the current expenditures for aid, but also aid in the future. I think we have to pursue a very delicate balance between on the one hand indicating our displeasure—to use the mild term—with what has been happening in the last year and a half, while at the same time we do not give Liberians citizens—who are the more important consideration than the government of the day—the notion that they have been abandoned by Americans.

There is this special relationship that Secretary Crocker has referred to. We cannot afford to abandon people who, whether we like it or not, feel that we have a special obligation with respect to them.

I think we also have to balance off the needs of the current government versus the needs of this vast pool of educated Liberians that has been dispersed around the world, rather than being at work in making Liberia a more fit place to live.

I would think over the long haul, and certainly in the short haul as well, we should look at the balance between military versus economic aid. I think we have more than enough provided for the defense of a small country against nonexistent threats from its neighbors. Despite all of the efforts to make it look like Liberia is a society under siege, potentially the Doe regime is only under siege from its own disaffected citizens, not from the neighboring countries of the Ivory Coast, Guinea, or Sierra Leone. I would think we have done more than enough in the military arena.

I think for the short term a complete cutting off of economic aid would be misread by the many Liberians who feel we do have that special relationships. But I would certainly think that we should concentrate on those things that are of humanitarian value and those projects that are directed to a positive changing of the economic strategies of growth and development in the country.

I think that U.S. aid should be conditional on the assumption of accountability. I cannot see the Danes and the others that are contributing money to Liberia today, not expecting accountability. I think we should insist on that as well as on a set of conditions even for reduced aid in the short haul.

I should also think that we should look at the reduction of the civil bureaucracy and the military itself, which has grown tremendously during the past 5 years. The bureaucracy is often in place for parastatals and other organizations that no longer function but continue to have a bureaucracy that is receiving salaries.

I think we should carry out this limitation on aid with the explicit understanding—matched by vigorous action on the part of our representatives in Liberia—that we must have new elections because the last elections were not regarded as legitimate. I would also think that the Government should proceed not only to convene a legislature, but to convene a legislature that was properly elected.

With respect to those who are politically detained, I think it is very encouraging that the American Bar Association and other groups are going to Liberia to look at the judicial process. But I am a little bit disturbed by the automatic assumption that one who has committed no crime must nevertheless still be subjected to a trial. No matter how fair that trial is, it is still a violation of due process to subject to trials various people—certainly Mary Sherman and Rudolf Grimes and others—who by no conceivable stretch of the imagination have done anything wrong, and yet are still in detention. Why should they be subjected to a trial? That dignifies the act of detention in the first place. I think we should be pressing for full clearance, rather than a speedy and due process-oriented trial.

I think we should also insist that political parties should be permitted to function without restrictions in advance of elections. The press should be permitted to function effectively as critics of public officials. Some of the reasons that newspapers are banned or editors are arrested are so trivial that you would not expect a society in the modern era to be sensitive to such petty things as whether or not the head of state's picture appeared at the top of the front page or the bottom or whether he is referred to by one title or another.

Now, I think the United States destined to intervene. We have intervened, as I have indicated, by giving the appearance of supporting a regime. I do not think our intervention is necessarily of our own choosing. Indeed, during much of the 19th century we shied away from Liberia. It was the British that bore the main burden of support during the latter part of the 19th century—much to the detriment of the Liberian state.

Even in the present century, during the Tolbert and the preceding Tubman regimes, we encouraged efforts to break down that heavy Liberian dependence upon the United States. Each year from about 1955 onward, the percentage of United States private investment, United States Government aid, and all categories of trade, the American share was steadily reduced as we encouraged the Liberian Government to bring in the West Europeans, the Japanese, and other African states, so that we felt we were liberated and the Liberians were liberated from the special relationship with the United States.

Now, since 1980, that has all been reversed. Just as President Reagan had to remind President Mitterand that Chad was a French responsibility, other European countries are saying today that Liberia is an American responsibility, whether we like it or not. So we are caught in the process of accepting the fact that Liberia is somehow or another our responsibility. The defection of West European and other investors who are not interested in investing in an unstable environment makes it more and more an American show.

Now, there are some who say, "but if we come down too hard on the Doe regime they will turn to Libya or to the Soviets." I do not think it is a justifiable reason for not coming down hard. I must say that there are many Liberians—however misguided they might be—who, when they look at the support the American Government has given to the Doe regime, are ready to consider alternatives, since they certainly do not like what they presently are getting.

These Liberians fail, of course, to look at history in other parts of the globe, including Africa in general and Ethiopia in particular.

In any event, I think the Doe regime would find it difficult to reequip an army that has been almost entirely equipped by the United States one cannot suddenly turn to an alternate supplier. I think there would be defections within the ranks of the professionals within the military itself if such a move were considered by Doe.

I think, moreover, you have to look at Soviet involvement in Africa generally. They have not been supportive of economic aid. Soviet aid has been given almost a ratio of 10-to-1 military versus economic aid. If we look, moreover at the cases where Soviet involvement has been most significant, it has been where they are convinced beforehand that the leadership is committed to socialism. I certainly do not think that the kind of rapaciousness and the rampant corruption that is taking place in Liberia today among the ruling elite, will pass for socialism by any stretch of the imagination. So I do not think the Soviet Union is a really viable alternative for Doe.

I think the United States has the means—as part of an agreement that has not been fulfilled—to call in the chips with respect to the Doe regime.

Thank you.

Senator KASSEBAUM. Thank you very much, Professor Liebenow.

I believe we will go ahead with Mr. Hoen, to hear your comments, and then we will ask questions of you both.

STATEMENT OF ROBERT M. HOEN, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, EQUATOR BANK, HARTFORD, CT

Mr. HOEN. Thank you, Madam Chairman, and thank you for offering me the opportunity to testify today on the situation in Liberia.

By way of background—and I will be brief since I know you are familiar with our organization—the Equator Group provides banking, consulting, and trade services to Africa, with emphasis on the sub-Saharan regions. As our focus is uniquely African, our commitment to the continent is both intense and steadfast.

The subject of today's hearings is one we at Equator feel particularly strongly about, since many of us have had a deep involvement in Liberia, going back over many years. Our president, Niles Helmboldt, worked in the country in the late sixties and the early seventies, prior to his founding of Equator Bank, and I have had close ties to Liberia since 1973 when I was the African area executive for Chase Manhattan Bank.

Although we have been relatively inactive in the country recently, for reasons which I will be touching on later, we have followed events there very closely. Therefore, I believe our opinions concerning Liberia's financial and economic condition and performance parallel those of the international lending community at large.

In this connection, there is a broad consensus that Liberia's present condition is desperate. The continual erosion of per capita GDP, declining export revenues, serious budgetary imbalances re-

sulting from inefficient tax collections, and uncontrolled government spending, and an ever-worsening debt service ratio have contributed to the present precarious situation.

Undeniably, Liberia's structural weaknesses have been exacerbated by the worldwide phenomenon of generally lower commodity prices. However, that does not totally explain their abysmal performance. For this we need to examine the recent history of the country, starting with the 1980 coup which brought Samuel Doe to power.

The former governments of Tolbert and Tubman represented the entrenched elite of the Americo-Liberian community. Although justly criticized for the high incidence of nepotism and corruption, these administrations proved to be relatively skilled in governing the country. The government machinery functioned and unspectacular but steady economic development occurred. And of course, the heady global economic expansion of the sixties and early seventies provided a far more propitious environment for the economies of the LDC's than today's environment.

However, my main point is that for the average citizen of Liberia and the foreign investor alike, there existed in Liberia prior to 1980 a stable and predictable government administration. The coup of April 1980 changed the environment radically.

Many of the skilled Americo-Liberians left the country in the aftermath of the bloody executions and persecutions. Notwithstanding the heavy exodus, there remained a thin echelon of skilled administrators and experienced specialists representing the Americo-Liberian and indigenous populations.

Unfortunately, the incompetence and capriciousness of the new regime alienated those who tried to serve it. Many returned to private life, some were jailed, and others exiled. Increasing lack of confidence in the government coincided with deteriorating global conditions, reflected in deteriorating terms of trade and high interest rates. To make matters worse, Liberia was shunned and distrusted by its African neighbors and ECOWAS partners.

To keep the country from foundering, United States aid had to increase fivefold, reducing Liberia to a state of de facto dependency. The elections which took place in October gave promise of the establishment of a just and effective rule. I am not in a position to judge the fairness of the process, but from what I have heard and read the results seem seriously flawed at best.

So what are the likely consequences of all this for Liberia and the United States? On the financial and economic plane, Liberia's prospects are dismal.

The special relationship which has evolved between the U.S. and Liberia has been a mixed blessing for the country. European investors, with the exception of those interested in the exploitation of the iron ore reserves, have predictably focused their attention in their former colonies. With the exception of a large and dynamic Lebanese presence, Liberia has always been and continues to be a private domain of the UUnited States

This is not healthy, but it is history. As economic students of Africa have discovered, the U.S. investor is both wary and fickle. The colonial legacy which emboldens French and English companies and entrepreneurs to invest in their former territories does

not operate in Liberia outside of some very special sectors, notably rubber and banking.

Agriculture could represent an area of interest for investors, particularly for such crops as oil palm, cocoa, coffee, which have been underexploited, if proper incentives are created and confidence in the future of Liberia is restored.

However, given Liberia's small internal market and the general lack of European or Far Eastern investors' interest, the limited natural resource base, and compounded by the already mentioned wariness of United States investors in Africa in general, Liberia's near-term prospects for attracting private sector interest is limited indeed.

No meaningful investment is likely to be forthcoming, either from domestic private sources or from abroad, so long as the Liberian Government is held in distrust and suspicion and the rule of law is honored in the breach. From the banking perspective, the situation could hardly be worse: $50 million in arrears at present; and the London Club rescheduling of several years ago has never been made effective.

The interagency committee representing the Comptroller of the Currency and the Federal Reserve Bank has recently declared Liberian debt to be 15 percent impaired. Since the Government has recently borrowed against its 1986 projected iron ore revenues, I believe to the extent of 60 percent, the prospect for regular debt service in the near future is not promising.

Given this scenario, you can well understand why Equator has not been actively seeking lending opportunities in Liberia during the recent past. The heavy and debilitating dependency of the Liberian Government on United States aid, the statistics of which you are surely aware, further discredit the country in the eyes of the outside world. On the other hand, our role as benefactor gives us both unusual leverage and responsibilities.

In order to restore some semblance of confidence in our role within Liberia, the United States should exercise its very best efforts and sanctions to be sure that those Liberians who are now incarcerated purely as a result of having participated in the political process that we encouraged are freed and allowed to leave the country if they so desire.

This is a small measure, Madam Chairman, in contrast to what we had all fervently hoped for several months ago, but it would at least fulfill our moral obligations to those Liberians who risked a great deal in the hope of establishing democratic rule in their country.

In a larger sense, we would like to see the U.S. Government use its considerable influence to realize the hope so nicely expressed by Jackson Doe, the presidential candidate of the Liberian Action Party, in an interview given on October 14 to the publication "West Africa." And if I may quote:

> I would like to see a Liberia governed by the rule of law and not by the whims and caprices of power-intoxicated individuals, a Liberia in which the rich and the poor shall be equal before the law, where suitably qualified and experienced persons will be appointed to positions in order to ensure stable, predictable, and efficient public management.

This, Madam Chairman, should be our policy objective, and it should be pursued with both determination and vigor. If it is not

eventually attained, our special relationship is destined to become an intolerable burden.

Thank you.

Senator KASSEBAUM. Thank you very much. I thank both of you for some very interesting comments. Professor Liebenow, I agree with you, it is always difficult for us to know how to use our leverage in an effective way without seeming to dictate what should or should not be done.

And yet the United States relationship with Liberia is, as you both pointed out, a special one, that we have let evolve in such a way that now we are the ones who appear to be held responsible, in particularly financial communities for development there.

Professor Liebenow, regarding your comment that no contact has been made with the detainees, is that true even for the families? The families have not been allowed to visit with the detainees?

Mr. LIEBENOW. I have understood this to be so from the range of phone calls that I have gotten in the last 72 hours—including a direct question that I posed to a cabinet minister when he called me from Liberia about an hour and a half before this subcommittee was convened. That minister is a close civilian adviser of Samuel Doe. When I asked him whether the families have been permitted to see the detainees, he hedged his answer.

There have been reports that some prisoners were able to relay information indirectly, but certainly I have known of no one who had had direct contact with Mary Sherman, with Rudolf Grimes, and with a number of the other people who have committed no crimes and yet have been held incommunicado under conditions that other American callers have described as intolerable. My Liberian and American contacts had at least some awareness of what was going on inside the jails or the barracks where the people were being detained, but they had no real contact with those individuals. Those were all indirect contacts.

Now, there may be other cases that I am not aware of where a family member has seen one or more of the persons on the list of 45 or so that has been circulated by Liberia Alert.

Senator KASSEBAUM. It is my understanding that Jackson Doe was first seen last Friday.

Mr. LIEBENOW. That was my understanding.

Senator KASSEBAUM. Do you know who saw him?

Mr. LIEBENOW. No. I just heard that he had been moved from the executive mansion to the jail, or something of this sort.

Senator KASSEBAUM. It seems to me this is something that we should be able to get clarified through the Department of State.

Mr. LIEBENOW. I would have thought so.

Senator KASSEBAUM. When there was testimony to the effect that families had been able to visit, I assumed that was the case.

Mr. LIEBENOW. There is a member of the audience here today who has reported to me that members of her family have not been permitted to see one of her detained relatives.

Senator KASSEBAUM. I think this is very important for us to clarify and follow through on, and we certainly should be able to. The State Department should demand that we get an accounting of exactly who has visited and who has not been permitted to visit the detainees.

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Mr. LIEBENOW. I think we have had a record in the past, under great duress, of getting that information. So I do not know why it has not been done in the present case. Certainly, Ellen Sirleaf-Johnson, and ultimately Amos Sawyer when he was detained, were eventually released in response to official U.S. inquiries. But why does it take so long?

Senator KASSEBAUM. I would agree.

Let me ask, in the short term, and I suppose here we are talking within the next 6 months to a year, do you think it would be possible, and would it be a step that you would recommend, Professor Liebenow, to hold another election should Samuel Doe be inaugurated as head of state? I know that his saying that another election would be held could be rather cumbersome and awkward——

Mr. LIEBENOW. I realize elections are costly and Doe has presented it to the public as being a costly experiment. But it need not have been costly had the elections been held properly in the first place. So I think that again——

Senator KASSEBAUM. I don't think the financial cost should be the main consideration here, but whether this is something you believe would be worthwhile on broader grounds.

Mr. LIEBENOW. I believe statements from the broad spectrum of people—including Americo-Liberians, people of various ethnic groups, representatives of a wide range of professions, and other contacts—would indicate that this present government is not regarded as legitimate. As long as it is not regarded as legitimate, there will either be a continuation of violence or the departure of more and more educated Liberians who should be at home working in behalf of their country.

I think that situation is the consequence of the United States not pressuring the government to hold new elections or at least to indicate what is already in existence, namely the results of the October election which was held and enthusiastically participated in by a great number of people.

Some of the results of that election have already been circulated informally. If we just held the government to account in terms of what actually happened, we might not have to have a separate election.

Senator KASSEBAUM. Well, that is a new perspective, and I am not sure whether, given what has happened with what I think we would all have to say is a fraudulent election, it would be possible for Samuel Doe to then say, well, we will recount again. Is this what you are saying you think might be possible?

Mr. LIEBENOW. Well, yes, it is. And I guess I would just say I am returning to Doe's previous pledge, made some 2 or 3 years ago, that once the election was held he would withdraw to the barracks or to his small farm and be a clerk to his tribal elder.

If, however, we say "all is forgiven, go ahead and count the ballots, reveal the counting as they were actually cast," then we would not have to have the necessity of another election. I realize, given the temperament of Mr. Doe, and that of those who are his immediate advisers, this may seem like a very far-fetched expectation.

But nevertheless, I think we should insist upon free elections as the primary condition for the continuance of U.S. aid. Without it,

we are dealing with a government that is constantly lacking legitimacy and destined to lose not only talent, but also to suffer more and more ethnic conflict.

And by the way, most of the comments that I have heard referred to today have dealt with what is happening in Monrovia, but I am getting more and more reports from people regarding events up-country, particularly from Nimba County, and the Gio people, the ethnic group not only of the late General Quiwonkpa but also of Jackson Doe.

Whether or not those reports of atrocities up-country are true or are exaggerated is again a question. Since the government has prevented us from getting more accurate information, exaggerations or rumors have to suffice. But the reports are coming from very reputable sources, so I tend to believe them.

Senator KASSEBAUM. Mr. Hoen, you spoke of the dismal financial future as well as present conditions. It seems to me that in many ways the political and economic conditions go together. The economy is not going to improve as long as there is uncertainty about the political climate.

One of the problems in the past, I understand, since we have been giving large amounts of aid, is that the Government has dramatically increased pay to government employees, and this precipitous increase has not been matched by ability to pay. Do you see any positive benefit for the Liberian Government, perhaps in flexibility of management, in moving away from the dollar as a currency base to some currency of their own?

Mr. HOEN. No, Madam Chairman, I do not see any great benefit and I do not believe it is a future option. I believe it is in effect taking place right now. The use of the coin——

Senator KASSEBAUM. The soldier coin?

Mr. HOEN. Yes, which is increasingly taking the place of the printed dollar, is in effect a form of debasing the coin of the realm, if you will, the U.S. dollar. So in effect we are having gradually right now a process of debasing of the currency, and that is the same thing in effect as printing your own money.

If that power lies within the government's hands and it is used for political purposes to pay salaries, of course then you eventually reap the consequences of that kind of policy, which is massive inflation and eventually a population that does not have faith in their currency. So it is not, I think, a good option for the Liberians.

One of the things that has for many years, many decades, attracted the foreign investor and the interest of businessmen and commercial people in general toward Liberia has been the strength of the currency and the fact that the dollar did represent to them—it formed a unit value and a degree of stability. That is now being eroded.

Senator KASSEBAUM. Professor Liebenow.

Mr. LIEBENOW. My wife would never forgive me if I did not second those remarks, because I do think that the use of the American dollar is one of the leverages that we possess but have not exploited. We should have control over the coining of new money and control over the way in which our currency gets involved in the international markets by way of Liberia. Their includes counterfeited money, as well as the electronic use of money.

Certainly that would give us leverage, although we have not thought out all of the implications of currency control for Liberians, for Americans, or for other investors, nor have we thought out the consequences of dollar restrictions for Liberians who would be innocent victims of any drastic move in that respect.

But I think we at least ought to explore it and use it as leverage.

Senator KASSEBAUM. Would either of you say that the great increase in salaries to government employees has drained a lot of money that could have been used much more productively in the country? And how can this problem of excessive salaries be dealt with? Is it a major problem?

Mr. HOEN. Oh, certainly it is a very serious problem. It is obviously not unusual prior to elections to see this take place by the government party, but it sets a standard not only for——

Senator KASSEBAUM. Even in this country on occasion.

Mr. HOEN. That is right.

It sets a standard not only for others in government service, but for the population in general. And then you have a gap that begins to develop between the private sector and the government sector. You are going to find it very difficult to close that gap without then inflating the economy in general. So it is a very bad first step, but it is not at all unique, either.

Mr. LIEBENOW. To a certain extent, some raise in salary and the improvement of living conditions of the troops was called for immediately after the coup. Soldiers were at the bottom of the economic heap. Part of the disaffection preceding the coup and part of their poor behavior, following it, was attributable to this. But I think we long ago satisfied those demands legitimately. Now we have to address the question of why do we continue to fund a large military force when Liberia is not threatened from abroad?

With respect to the bureaucracy in the civilian sense, there are far too many parastatals. The oil refinery, apparently, is not engaging in any productive activity, but it still has a large core of employees who are on the government payroll.

There are other bureaucracies as well that seem to have less and less output, but nevertheless are expanding the number of bureaucrats. The IMF has addressed this problem. I do not think the United States has seriously pushed as we could have, since we are providing one-third of the resources of the national government.

Senator KASSEBAUM. Senator Dodd.

Senator DODD. Thank you, Madam Chairman. And I first of all thank you for holding this hearing. We chatted a while back about the importance of focusing some attention on this issue. I regret we have had a series of votes going on all morning, as were other committee hearings. So my apologies for missing Assistant Secretary Crocker here this morning.

Obviously, the recent events in Liberia provoke not only this hearing, but the tremendous amount of concern that members of the Senate and the House, Republicans, Democrats alike, are expressing. And obviously recent events in Liberia are such that we would be terribly inconsistent, I think, particularly those of us who have been outspoken on the issue of South Africa, given the votes we have had in this committee and on the floor of the Senate, which have been overwhelming when it has come to the question of

sanctions—and I am not suggesting by that that everyone agrees with every provision. Some think it is too much and others think not enough at all.

But the strong feeling is that clearly the policies of apartheid in that country are repugnant. Well, this country has an obligation not only to express itself, but to take whatever action we can to try to dissuade that government from continuing a policy that is reprehensible.

In light of that, obviously, we cannot remain silent when it comes to policies which are reminiscent of those which are being conducted in South Africa. What we do, how we do what we do, the kinds of influence we would like to have, are all the questions that one must ask before proceeding.

Hopefully, just even this hearing this morning and the expressions that have been made might have some influence. Maybe that will be enough to provoke some action. We have a continuing resolution on the floor of the Senate right now. We are prohibited from including authorizing language on an appropriations bill.

Madam Chairman, maybe we ought to even express some thoughts over there to even further try to encourage the establishment of some semblance of the democratic process in Liberia. Again, I do not have—I am sort of speaking off the top of my head, rather than anything that I am offering specifically, but just that I think that it is so important that that message be heard by the Doe government in that country.

And it seems to me as I looked over the testimony of Mr. Crocker this morning, maybe what we are really talking about here—and I would ask both of you to comment—too often I am struck by the fact that there is some of the linkage there, aside from the question of trying to maintain some influence.

I know we have some communications facilities there, some other installations, which may or may not be of some particular significance with regard to national security. But I wonder if both of you might comment on the existence—on the very first page of Mr. Crocker's testimony, he makes reference to those, and I suspect that that may be more of an influence with regard to any decision that Congress might take with regard to economic assistance than anything else.

Do you think I am accurate on that?

Mr. LIEBENOW. I think that has certainly been a restraining force in our relations with the Doe regime. We have not only the VOA transmitter but the Omega navigational apparatus. We also have a number of Americans who are involved in Liberian development in both the rubber and the iron industries.

There is some concern, but it may be exaggerated. Just take VOA. I presume that the whole purpose of VOA is to present a better image of America around Africa and elsewhere. I do not see how our support of the Doe regime is contributing to that better image. So that certainly has to be put into the equation.

The Doe government, moreover does get funding from the presence of the American installations. To the extent that Doe turns against one American enterprise after another—and that would also have to include American shipping flying the Liberian flag of

convenience—I think he would find himself with fewer resources to distribute among his ethnic and military colleagues.

I think we assume that we are always in the position of having to defend things. More often it is the case that Liberia should be concerned about our continuing to have our facilities there, our investment there, and our not exploring alternatives to natural rubber and to other products, since this would further weaken the Liberian economy.

We have many more cards than we have ever dared play, and I think now is the time—given the prospects of another 6 years of Doe—to do something about an illegitimate government. I think we are destined for trouble even where we do have significant interests. It is not in our interest to have VOA or the other facilities in a society that is in chaos.

Senator DODD. Mr. Hoen?

Mr. HOEN. I would agree with Professor Liebenow. I do not really think that the Liberian Government has any options to hold us ransom on the basis of those installations. I think that they serve them as much as they serve us at the present time, and that there is really not a basis to be coerced into inaction or action that we would not otherwise want to take.

It is anecdotal, but it is curious, regarding the legacy of our uncolonial history with Liberia, that until 1980 there was really a very thin stream of developmental assistance that went to the country, as you know, less than $15 million, I believe. And it always struck me as curious that we have one of the most sophisticated communications centers in Liberia, and yet you could not make a telephone call from Roberts Field to Monrovia until very recently. I do not know what that instructs us.

Senator DODD. As I look over Mr. Crocker's testimony this morning, let me ask you this. Both of you I presume either have read or were here to hear his testimony?

Mr. HOEN. Yes.

Mr. LIEBENOW. Yes.

Senator DODD. From an objective standpoint, if you were to be in Liberia and would be a part of the Doe government, what would you read was the administration's position this morning with regard to recent events there?

Mr. LIEBENOW. I think it is very supportive of the Doe regime. In fact, I am reminded, that the recent meeting of the African Studies Association had a panel dealing with Liberian politics. In the discussion one person who was from the State Department said: "Well, you have to appreciate that we have to move cautiously regarding Liberia and we should have constructive * * *. Suddenly everyone laughed, because they knew what the next word was. Try as he would not to say "engage" or "engagement," he did.

I think many people in the African community look at our Liberian policy as constructive engagement north of the equator. We not only give generalized statements that suggest that we have to be sympathetic and understand that this is the first time they have had elections, but more specifically, we give support to Doe in dramatic ways.

If I may engage in an anecdote, in July 1984 Doe was in the process of subverting the process of a return to civilian rule by usurp-

ing the title of president—albeit of the Interim National Assembly—and creating a government in place of his own choosing in advance of open elections. Many people did not know they were part of the government until they heard it on the radio in their car as they were driving into town. It was not a creative process. In one part of Monrovia, at the Centennial Pavillion, Doe was usurping power, going against all of the understandings that the U.S. Government had with him with regard to an orderly procedure of restoring civilian rule. Simultaneously—two blocks away—there was a demonstration taking place because government teachers had not been paid in 3 months. Suddenly the demonstration became vicious, with people wrecking the big lottery kiosks and overturning cars. It looked like chaos was taking place.

Very quickly calm was restored. Why? Because the U.S. Government had relayed to the minister of education that the United States would bail them out once more, and that smoothed over the waters.

So we were giving support to an inept regime at the very moment that it was doing everything to undermine the process of restoration of civilian rule. We do that over and over again, I am afraid.

Senator DODD. So your conclusion would be that if you were to read nothing more out of this hearing here this morning than the statement of the Assistant Secretary of State and you were part of the Doe government, you would be very encouraged?

Mr. LIEBENOW. Yes.

Senator DODD. I read on the last page—it seems to me a speech that has four "urges." I would call it the speech of four urges, none of which seem to have any bite to them at all.

And I hope that the expression here this morning by members of this committee will indicate, while we may not be part of the administration, we do have some say on the quantities of aid. We are in some very tight times in this country in terms of our deficit levels and so forth, and people are looking around for places where dollars can be saved.

And I do not know whether this is the appropriate vehicle that is on the floor right now. I do not think that is the way to legislate, quickly like that. But we will be back very shortly, I presume, after the first of the year with various vehicles in which expressions can be made, and I suspect I would have very little difficulty in offering an amendment that would substantially reduce the level of financial assistance that the Government of Liberia is getting.

And I do not think I would have to go around and make a strong argument to my colleagues to cut back on the level. And I for one will tell you this morning, and hope that the message will be conveyed, I am not impressed by urges. If this Member of the Senate does not see substantial progress between now and January 20 when we come back, I will offer language which will substantially cut the economic assistance program to Liberia.

And I would hope that they would understand that I do not think I would be a minority of one in a vote on the floor of the Senate in that regard.

The only thing I can say in conclusion, Madam Chairman, I could not help but be amused reading the story about the election,

that you and I should be so fortunate indeed. Reading about the elections, one of the members of that commission, when asked how he had counted the votes, he said: We feel that as a commission we have truly interpreted the vote of the people of this country, and have no remorse of conscience.

Mr. Harmon, apparently a lawyer, said his "vote counting procedure was directed by the hand of God." I would like to have Mr. Harmon come to Connecticut next November in case I run into any difficulties. I do not know if he will be free next November, but if he is around I would like to have him come by. I can use a guy like that.

I have gone over my time. I thank both of you for being here.

Senator KASSEBAUM. Mr. Hoen, I would like to ask, if Equator were considering some investment at this point in Liberia, what would you be looking for as some assurance that there was going to be security in the future? What do you think would be the first priority at this point that would indicate that Liberia is starting down the right road?

Mr. HOEN. I think the first priority that any investor or lender would look for would be confidence within the country, the host country itself, in its own government. If one does not see, for instance, the urge and the desire of the people themselves, even given Liberia's lack of capital formation, to invest in their own country, then it is very improbable that you are going to see interest from the outside.

That is not going to take place until people feel that they are going to be treated fairly, that they are going to, for every dollar they invest, a fair return, and that there is not going to be this unpredictability in terms of the economic as well as the political process.

I would have to be very forthright in saying that Liberia, even under the best of political circumstances, does not today present a particularly attractive investor market, for the reasons I stated in my paper, that is, the size of the market and limited natural resources.

But without that, unless the optimum conditions can be achieved in Liberia, there is no prospect to bring in foreign investment, outside of very specialized areas. Moreover the banks that are there today are very anxious to remove themselves if they possibly could. They will not do so, for a variety of reasons.

But one is seeing disinvestment in Africa in general, across the board, and one sees it in a much more accelerated fashion in Liberia. So one must create the environment of confidence. The South Africans learned this. We have already used the South African analogy today, and if you lose the confidence of the international market, banking or otherwise, the house collapses. It collapsed very quickly on South Africa on the short term debt situation.

What we have to do in Liberia is create, recreate, the house of confidence, and I am fearful that Samuel Doe is not going to be able to do so, that his general demeanor during the past 5 years, especially during the past few months with the election process, has alienated all the competent, cautious people.

What he is left with are the Emmett Harmons, who simply will stay there and do his bidding at whatever price. I do not think that

is the kind of people we want to have in positions of responsibility in Liberia.

Senator KASSEBAUM. Professor Liebenow, do you see any role that Jackson Doe can play at this point, or could be allowed to play, that would help provide some semblance of recognition of the strength of the opposition?

Mr. LIEBENOW. I really do not——

Senator KASSEBAUM. Can he serve in the legislature? Has he been a member?

Mr. LIEBENOW. Well, he was not elected to the legislative. It is not a parliamentary system. It is much more modeled after the American presidential system. Despite all their efforts when they wrote the new constitution to have something different, the political system very closely parallels the American.

I do not see Jackson Doe being willing to lend credibility to violations of everything that the people who voted for him thought they were getting. So I cannot really see that as a constructive role for him to play. Even some of the people who were "elected" but were not of the Doe party have said, they were not going to serve because they did not think the process was fair.

So I think Jackson Doe would certainly have the same attitude.

Senator KASSEBAUM. Do you think that those in the opposition who were elected to the legislature might say they will not serve?

Mr. LIEBENOW. There are some who have already said so, and there are some who have said, they will serve, but then their party has disavowed them.

Senator KASSEBAUM. I see.

Mr. LIEBENOW. So we see a process where there will be noncooperation.

Senator KASSEBAUM. Then it would have little meaning to seat the legislature, if everybody is not going to be able to serve.

Mr. LIEBENOW. Yes, that is right.

Senator DODD. Madam Chairman, do we know where Jackson Doe is at this very moment?

Mr. LIEBENOW. The report is that he has been moved from the executive mansion to jail, but this is, like most other things, a rumor. I do not know that anyone from the State Department has actually gone down to the jail.

Senator DODD. Are you confident he is alive?

Mr. LIEBENOW. I do not know who has gone down and has actually interviewed him.

Senator KASSEBAUM. He was supposedly seen last Friday. Is that the latest word?

Mr. LIEBENOW. But again, it is in the rumor form. It is not something from an authoritative source publicly stated, put on television—they do have television—so that you can say, here is Jackson Doe, alive and well and ready to resume civilian life.

Senator DODD. I am sorry.

Senator KASSEBAUM. I had not understood that the opposition members of the legislature had taken a position that they were not going to serve.

Mr. LIEBENOW. Several had even before the attempted coup. But certainly since the coup I think it is more in that direction. There have been so many leaders arrested who had obviously nothing to

do with the coup that all of the opposition parties seem to have the attitude of noncooperation.

There are exceptions, but in most cases I think their parties are disavowing them.

Senator KASSEBAUM. I have no further questions at this point, other than to say that I just want to express my great appreciation and that of the committee for your very thoughtful and interesting testimony. I think it helps give us some guidelines for our actions here, and I value it a great deal.

Senator DODD. Madam Chairwoman, I would second those comments and ask unanimous consent, if I could, that the International Human Rights Law Group—I know you get lots of requests from different panels that want to testify, but they did have a statement that I would ask unanimous consent be made a part of this record.

Senator KASSEBAUM. Without objection.

Senator DODD. I thank both of you for being here this morning. Obviously, this is regrettably not the end of this. There is a great deal of growing interest, I might add, in the Senate.

Mr. LIEBENOW. Could I just repeat what I said to the cabinet minister who called me from Liberia this morning to find out what I was going to say, that my major concern is Liberia and Liberians. And I think we ought not lose sight of the people in terms of what action we take in punishing a the Doc regime or indicating our disapproval of a government that is clearly out of sorts with its own people.

So there is some fine-tuning as to how we go about it.

Senator DODD. There is always that question. It is not an easy one to answer from time to time. Looking at what is going on in Liberia right now, what we might do in terms of cutting off some aid, some or all of it for a period of time, is minor by comparison.

Mr. LIEBENOW. Yes.

Senator DODD. And I suspect that if there could truly be a secret ballot on an issue like this, you might very well find the people of Liberia more anxious for us to take some steps that may reverse the situation there than to fall prey to that argument that we get from every government every place around the globe, regardless of totalitarian, authoritarian forms of it, that we are going to hurt the people of a country if we take steps to express and to demonstrate our outrage at their behavior. I do not believe we should subsidize governments like that.

Mr. LIEBENOW. That is the overwhelming tenor of the calls that I have been getting.

Senator KASSEBAUM. Thank you very much, Professor Liebenow and Mr. Hoen.

[Whereupon, at 12:40 p.m., the subcommittee was adjourned, to reconvene upon the call of the Chair.]

APPENDIX

PREPARED STATEMENT OF CHESTER A. CROCKER

MADAM CHAIRMAN, I AM PLEASED TO APPEAR BEFORE THIS COMMITTEE TODAY TO GIVE MY ASSESSMENT OF RECENT DEVELOPMENTS IN LIBERIA AND THE CONSEQUENCES FOR U.S. FOREIGN POLICY TOWARD THAT COUNTRY.

AS YOU KNOW, THE UNITED STATES AND LIBERIA HAVE A HISTORY OF LONG, FRIENDLY, AND SPECIAL RELATIONS. OUR COUNTRY WAS CLOSELY INVOLVED IN THE FOUNDING OF LIBERIA. MANY LIBERIANS HAVE FAMILY TIES AND EDUCATIONAL AND OTHER CULTURAL CONNECTIONS IN AMERICA. NEARLY 5,000 AMERICANS LIVE IN LIBERIA. U.S. INVESTMENT THERE APPROACHES HALF A BILLION DOLLARS. WE HAVE IMPORTANT REGIONAL COMMUNICATIONS FACILITIES IN LIBERIA, INCLUDING THE VOICE OF AMERICA TRANSMISSION STATION WHICH SENDS OUR COUNTRY'S MESSAGE THROUGH RADIO TO PEOPLE IN CITIES AND VILLAGES ALL OVER AFRICA AND TO PARTS OF THE MIDDLE EAST AND SOUTHWEST ASIA. LIBERIA HAS BEEN A RELIABLE ALLY IN WAR AND A GOOD FRIEND IN PEACE, AT THE UNITED NATIONS AND ELSEWHERE. WE WANT TO MAINTAIN OUR FRIENDLY, MUTUALLY BENEFICIAL RELATIONS WITH THE LIBERIAN GOVERNMENT AND PEOPLE.

FOR ALL OF THESE REASONS, WE HAVE TAKEN A SPECIAL INTEREST IN LIBERIA'S EFFORTS TO PUT ITSELF ON A COURSE OF STABILITY, NATIONAL RECONCILIATION, DEMOCRACY AND ECONOMIC GROWTH FOLLOWING THE OVERTHROW OF THE PREVIOUS GOVERNMENT IN 1980.

THE LIBERIAN GOVERNMENT UNDER HEAD OF STATE DOE ANNOUNCED IN 1981 ITS INTENTION TO RETURN THE COUNTRY TO CIVILIAN RULE BY 1986 THROUGH DEMOCRATIC ELECTIONS. THOSE ELECTIONS WERE HELD IN OCTOBER OF THIS YEAR, WITH A VIEW TO INAUGURATING THE NEW CIVILIAN GOVERNMENT IN JANUARY, 1986. OUR GOVERNMENT WAS ACTIVE IN EACH STEP ALONG THE WAY, ENCOURAGING THE LIBERIAN AUTHORITIES TO LIVE UP TO THEIR PROMISE TO ISSUE IN A SECOND REPUBLIC OF LIBERIA WHICH WOULD EXTEND TO ALL OF ITS CITIZENS FOR THE FIRST TIME IN THEIR COUNTRY'S HISTORY THE RIGHT TO VOTE AND PARTICIPATE EQUALLY IN THEIR COUNTRY'S POLITICAL AND ECONOMIC LIFE.

THERE HAVE BEEN A NUMBER OF CRITICISMS OF THE OCTOBER ELECTIONS, AND WE SHARE SOME OF THEM, AS THE LIBERIAN GOVERNMENT KNOWS. IN OUR VIEW, IT WOULD HAVE BEEN BETTER IF ALL POLITICAL PARTIES WHICH WANTED TO CAMPAIGN HAD BEEN ALLOWED TO DO SO. AS IT WAS, TWO WERE BANNED--THE LIBERIAN PEOPLES PARTY AND THE UNITED PEOPLES' PARTY--BECAUSE, THE GOVERNMENT SAID, THEY PROPOSED SOCIALIST PROGRAMS WHICH HAD NO PLACE IN LIBERIA. OPPOSITION PARTIES WHICH DID PARTICIPATE WERE NOT REGISTERED UNTIL LATE, AND DECREE 88A WHICH FORBIDS CRITICISM OF THE AUTHORITIES COULD INHIBIT OPEN DEBATE. FINALLY, THE VOTE WAS COUNTED BEHIND CLOSED DOORS WITHOUT THE PRESENCE OF OPPOSITION PARTY REPRESENTATIVES, ALBEIT BY A LARGE, GOVERNMENT APPOINTED COMMISSION OF 50 PEOPLE FROM VARIOUS WALKS OF LIFE.

DESPITE THESE SHORTCOMINGS, THERE WERE NOTEWORTHY, POSITIVE ASPECTS OF THE ELECTIONS. FOUR POLITICAL PARTIES COMPETED FOR THE VOTERS' SUPPORT. FOUR NEWSPAPERS AND THREE RADIO STATIONS--GOVERNMENT AND NON-GOVERNMENT ONES ALIKE--REPORTED THE CAMPAIGN WITH COVERAGE OF ALL PARTIES' ACTIVITIES. THOSE ARE RARE ACHIEVEMENTS IN AFRICA AND ELSEWHERE IN THE THIRD WORLD WHERE ONE PARTY ELECTIONS COVERED BY A SINGLE, GOVERNMENT NEWSPAPER ARE TOO OFTEN THE NORM. THE TURNOUT OF VOTERS WAS ENORMOUS, SOME PEOPLE STOOD IN LINE 10 HOURS TO VOTE, AND THE AUTHORITIES EXTENDED THE HOURS OF THE POLLS UNTIL 11 P.M., SO THAT EVERYONE WHO WANTED TO VOTE COULD DO SO. ALTHOUGH THERE WERE ALLEGATIONS ON ALL SIDES THAT SOME VOTING IRREGULARITIES OCCURRED, THERE IS GENERAL AGREEMENT OF OBSERVERS--RESIDENT DIPLOMATS, EVEN LIBERIAN OPPOSITION LEADERS--THAT ELECTION DAY WENT OFF VERY WELL INDEED. THERE IS NOW THE BEGINNING, HOWEVER IMPERFECT, OF A DEMOCRATIC EXPERIENCE THAT LIBERIA AND ITS FRIENDS CAN USE AS A BENCHMARK FOR FUTURE ELECTIONS--ONE ON WHICH THEY WANT TO BUILD.

SAMUEL DOE AND HIS NATIONAL DEMOCRATIC PARTY OF LIBERIA WERE DECLARED THE WINNERS BY 51% FOR THE PRESIDENCY AND 80% OF THE LEGISLATIVE SEATS. THE THREE OPPOSITION PARTIES DID NOT ACCEPT THOSE RESULTS AND ANNOUNCED THEIR INTENTION TO CHALLENGE THEM IN COURT. MEANWHILE, THE DECLARED VICTOR--SAMUEL DOE--CALLED ON ALL CITIZENS FOR NATIONAL

RECONCILIATION, AS DID LEADING RELIGIOUS AND OTHER MEMBERS OF THE COMMUNITY.

THE PROSPECTS FOR NATIONAL RECONCILIATION WERE BRIGHTENED BY DOE'S CLAIM THAT HE WON ONLY A NARROW, 51% ELECTIONS VICTORY--VIRTUALLY UNHEARD OF IN THE REST OF AFRICA WHERE INCUMBENT RULERS NORMALLY CLAIM VICTORIES OF 95 TO 100%. IN CLAIMING ONLY 51% OF THE VOTE, DOE PUBLICLY ACKNOWLEDGED THAT A LARGE SEGMENT OF SOCIETY--49% OF THE VOTERS--SUPPORTED OTHER POINTS OF VIEW AND LEADERSHIP THAN HIS OWN. THAT PUBLIC ACKNOWLEDGMENT OFFERED THE PROSPECT THAT DOE WOULD ACCOMMODATE THOSE OTHER INTERESTS IN THE NEW GOVERNMENT WHICH HE WOULD HEAD.

HE SEEMS TO HAVE BEEN MOVING IN THAT DIRECTION IN OCTOBER. WE UNDERSTOOD THAT DOE WAS CONSIDERING APPOINTING TO IMPORTANT POSITIONS IN HIS NEW CIVILIAN GOVERNMENT SOME LIBERIANS OF PROVEN TALENT WHO WERE NOT AT THE TIME MEMBERS OF HIS PARTY, AND THAT SOME OF THEM WERE MOVING TOWARD ACCEPTING THOSE APPOINTMENTS. DOE PUBLICLY ASKED OPPOSITION MEMBERS TO TAKE THE SEATS IN THE LEGISLATURE WHICH THEY HAD WON IN THE ELECTIONS. ONE OF THOSE WAS MRS. JOHNSON-SIRLEAF WHOM DOE HAD PARDONED AFTER HER CONVICTION FOR VIOLATING THE LAW AGAINST CRITICISM OF GOVERNMENT AUTHORITIES--A LAW, DOE OBSERVED, THAT WAS PASSED BY THE PREVIOUS GOVERNMENT.

It was in this setting that the attempted coup d'etat occurred in Monrovia on November 12. The perpetrators apparently were a small number of less than 40, not all of whom were Liberians. They captured the undefended government radio station outside Monrovia and the military Barclay Training Center in Monrovia--an installation whose mission is not combat. Despite broadcasts on the captured radio station that Quiwonkpa was Liberia's new ruler, his small force and those whom he won to his side from the Barclay Training Center were unable to overcome the resistance of the guard at the Executive Mansion, where Doe was. Once Doe was able to communicate with the First Infantry Battalion some 25 miles outside of Monrovia, it was all over. The First Battalion quickly retook the radio station which then announced that Doe remained in control. The remaining coup participants were defeated or fled soon thereafter.

The coup attempt set back the prospects, as they existed after the October elections, that Liberians might be finding a way towards a measure of national reconciliation and would get on with the difficult business of addressing their pressing economic problems. Events occurred during the coup attempt and the days that followed that have left bitter scars. During the hours of November 12 that Quiwonkpa claimed to be in control of the government, some senior members of Doe's government were brutally assaulted, threatened with execution,

AND THEIR HOUSES AND OTHER PROPERTY TAKEN OR DESTROYED. ALONG WITH THE CELEBRATION OF MANY IN THE STREETS AT WHAT THEY BELIEVED WAS A CHANGE IN GOVERNMENT, THERE WERE INSTANCES IN MONROVIA AND THROUGHOUT THE COUNTRY OF RETRIBUTION AGAINST DOE'S SUPPORTERS. THERE SEEMS ALSO TO HAVE BEEN SOME SETTLING OF OLD SCORES NOT NECESSARILY RELATED TO POLITICS. THE SAME WAS TRUE ON THE OTHER SIDE ONCE IT BECAME KNOWN THAT THE COUP ATTEMPT HAD FAILED. VIOLENCE AGAINST SOME WHO STAGED THE COUP AND THOSE IN THE MILITARY WHO WENT OVER TO THEIR SIDE WAS ESPECIALLY BRUTAL. RETRIBUTION--INCLUDING SOME KILLINGS--AGAINST CIVILIANS WHO WERE THOUGHT TO HAVE SUPPORTED OR SYMPATHIZED WITH THE COUP ATTEMPT OCCURRED, BUT RUMORS ABOUT THIS VIOLENCE FAR OUTSTRIP CONFIRMED REPORTS. WE ARE NOW BEGINNING TO LEARN THAT MANY REPORTS ALONG THESE LINES WERE WRONG, INCLUDING REPORTS OF THE DEATH OF KEY OPPOSITION LEADERS.

THERE IS NO EVIDENCE THAT THE LEADERS OF THE COUP CONDONED, MUCH LESS DIRECTED, THE VIOLENCE AGAINST CIVILIANS WHICH SOME OF THEIR SUPPORTERS COMMITTED. FOR HIS PART, HEAD OF STATE DOE QUICKLY APPEALED PUBLICLY FOR AN END TO RETRIBUTION AND RUMOR-MONGERING THAT FEEDS FURTHER VIOLENCE. A CURFEW WAS INSTITUTED TO HELP PRESERVE THE PEACE.

NONETHELESS, BITTER MEMORIES REMAIN ON ALL SIDES. THE LIBERIAN AUTHORITIES NOW ARE LESS INCLINED THAN THEY WERE FIVE

WEEKS AGO TO INVITE INTO THEIR CABINET PERSONS FROM ORGANIZATIONS WHOM THEY SUSPECT COLLABORATED IN THE COUP ATTEMPT--AN ATTEMPT WHICH THEY SAY WAS SET IN MOTION BEFORE THE OCTOBER ELECTIONS. OPPOSITION LEADERS MAY BE LESS WILLING TO SERVE IN A GOVERNMENT, SOME OF WHOSE SUPPORTERS REACTED SO VIOLENTLY AGAINST OPPOSITION MEMBERS AFTER THE COUP ATTEMPT FAILED. OTHER LIBERIANS WHO ARE NOT ACTIVE POLITICALLY BUT WHOSE TALENTS WOULD MAKE THEM VALUABLE GOVERNMENT APPOINTEES, ESPECIALLY FOR ADDRESSING THE COUNTRY'S ECONOMIC PROBLEMS, MAY BE RELUCTANT TO ENTER PUBLIC SERVICE AFTER SEEING ON NOVEMBER 12 HOW THEY COULD BE PERSONALLY THREATENED IF THERE WERE A SUDDEN CHANGE IN GOVERNMENT.

IN THE WAKE OF THESE EVENTS, HOW CAN WE HELP TO GET LIBERIA DOWN THE TRACK OF POLITICAL STABILITY THAT IS SO ESSENTIAL FOR ECONOMIC GROWTH, OF NATIONAL RECONCILIATION, AND OF DEMOCRATIC PRACTICES AND RESPECT FOR HUMAN RIGHTS?

I BELIEVE WE MUST MAKE AN EFFORT TO ACHIEVE THOSE GOALS. OUR LONG, SPECIAL TIES TO LIBERIA AND OUR IMPORTANT, REAL INTERESTS THERE REQUIRE US TO TRY. TO WALK AWAY WOULD BE IRRESPONSIBLE AND CLEARLY VIEWED AS SUCH ELSEWHERE IN AFRICA, WHERE WE ARE SEEN AS HAVING A UNIQUE RESPONSIBILITY FOR ASSISTING LIBERIA. ABDICATION OF THAT RESPONSIBILITY COULD PROVOKE CHAOS AND BLOODSHED, ENDANGERING THE LIVES OF THE NEARLY 5,000 AMERICANS IN THE COUNTRY.

WE HAVE ALREADY BEGUN. IT IS ESSENTIAL THAT WE USE OUR INFLUENCE--AND HAVE A BASIS FOR INFLUENCE--WITH THE AUTHORITIES IN MONROVIA WHO LAST MONTH HAD A SHOWDOWN OF FORCE WITH THOSE WHO WISHED TO REPLACE THEM. THEY CONTROL THE INSTRUMENTS OF LAW AND ORDER IN LIBERIA TODAY--THE ARMED FORCES, THE POLICE, THE MINISTRY OF JUSTICE AND THE COURTS OF LAW. WE WANT TO ENCOURAGE HEAD OF STATE DOE TO TAKE MEASURES THAT WILL WIN HIS GOVERNMENT THE NATIONAL SUPPORT AND TALENT THAT ARE SO NECESSARY FOR THE PERIOD OF ECONOMIC AUSTERITY AND ENLIGHTENED ECONOMIC ACTIONS THAT LIBERIA MUST EXPERIENCE IN THE MONTHS AHEAD.

IN THE ECONOMIC SPHERE, THE U.S. HAS BEEN ENCOURAGING THE GOVERNMENT OF LIBERIA TO MAKE POLICY CHANGES NECESSARY FOR ECONOMIC STABILIZATION--CHANGES WHICH WOULD PUT LIBERIA BACK ON THE PATH TO LONG-TERM GROWTH. LIBERIA'S PUBLIC SECTOR SUFFERS FROM A CHRONIC CASH SHORTAGE WHICH CAN HAVE A PROFUND EFFECT ON LIBERIA'S BUSINESS CLIMATE. ANY LIBERIAN GOVERNMENT WILL FACE THIS PROBLEM FOR SEVERAL YEARS, NO MATTER HOW RESPONSIBLE ITS POLICIES. THE PROBLEMS WERE BEING ADDRESSED THROUGH COMBINED U.S., IMF AND IBRD PROGRAMS, BUT DURING THE ELECTIONS PERIOD IN LIBERIA, THE IMF PROGRAM COLLAPSED. LIBERIA MUST NOW UNDERTAKE MAJOR STEPS TO RESTORE ITS ECONOMIC CREDIBILITY. U.S. ASSISTANCE WILL BE BADLY NEEDED TO KEEP THE ARREARAGES FROM BUILDING TO A POINT WHICH COULD PERMANENTLY ESTRANGE LIBERIA FROM INTERNATIONAL FINANCIAL INSTITUTIONS AND

PRIVATE CREDITORS. SUCH A DEVELOPMENT WOULD NOT BE IN U.S. INTEREST OR IN THE INTEREST OF LIBERIA BECAUSE IT WOULD FORECLOSE THE POSSIBILITY OF STABILIZING THE ECONOMY AND RESTORING GROWTH.

BEYOND NATIONAL RECONCILIATION AND ECONOMIC GROWTH, WE WANT TO ENCOURAGE HEAD OF STATE DOE TO FOLLOW A COURSE OF RESPECT FOR HUMAN RIGHTS THAT WILL STRENGTHEN THE FABRIC OF LIBERIA'S NATIONAL LIFE AND WIN LIBERIA TODAY ADDED SUPPORT ABROAD, INCLUDING IN THE UNITED STATES. AND WE WANT TO COUNSEL ALL LIBERIANS--IN AND OUT OF GOVERNMENT--TO WORK TOGETHER. THIS IS THE ONLY WAY A POLITICALLY STABLE AND ECONOMICALLY HEALTHY LIBERIA CAN BE BUILT.

IN PURSUIT OF THOSE OBJECTIVES, WE HAVE WITHIN THE PAST MONTH:

-- URGED THE LIBERIAN GOVERNMENT TO PERMIT VISITORS TO THOSE CIVILIANS WHO ARE DETAINED ON SUSPICION OF COMPLICITY IN THE NOVEMBER COUP ATTEMPT. THAT SHOULD CLEAR UP UNCERTAINTIES ABOUT THEIR WELFARE.

-- URGED THE LIBERIAN AUTHORITIES TO MOVE QUICKLY TO HOLD THE OPEN TRIALS IN CIVILIAN COURTS THAT THEY HAVE PROMISED FOR CIVILIANS SUSPECTED OF COMPLICITY IN THE COUP ATTEMPT, AND TO PERMIT OUTSIDE OBSERVERS SUCH AS LOCAL

DIPLOMATS AND THE AMERICAN BAR ASSOCIATION, WHICH HAS EXPRESSED AN INTEREST IN OBSERVING THE PROCEEDINGS.

-- URGED THE LIBERIAN GOVERNMENT TO TAKE CONCRETE MEASURES SUCH AS ARRESTS AGAINST THOSE SUSPECTED OF CONTINUED ACTS OF RETRIBUTION, IF HEAD OF STATE DOE'S PUBLIC APPEAL FOR AN END TO THOSE VIOLENT ACTS IS NOT FULLY RESPECTED.

-- URGED THE LIBERIAN GOVERNMENT TO CONTINUE TO SEEK WAYS TO PROMOTE NATIONAL RECONCILIATION SO THAT THE ENERGY, TALENT, AND SUPPORT OF ALL LIBERIANS CAN BE USED TO ADDRESS THE DIFFICULT ECONOMIC PROBLEMS THAT THE COUNTRY FACES.

WE ARE SOMEWHAT ENCOURAGED BY SOME RECENT MOVES OF THE LIBERIAN GOVERNMENT. FAMILIES HAVE BEGUN TO VISIT CIVILIAN DETAINEES, AND INITIAL REPORTS OF THEIR WELFARE ARE ENCOURAGING. ALREADY, SEVERAL PERSONS PREVIOUSLY RUMORED TO HAVE BEEN KILLED HAVE BEEN SEEN TO BE ALIVE AND WELL. SEVENTEEN CIVILIAN DETAINEES--INCLUDING LEADERS OF TWO OPPOSITION PARTIES--HAVE RECENTLY BEEN RELEASED FOR LACK OF EVIDENCE AGAINST THEM. THE GOVERNMENT SAYS IT INTENDS TO MOVE QUICKLY TO BEGIN CIVILIAN TRIALS. AS ALREADY MENTIONED, HEAD OF STATE DOE HAS CALLED PUBLICLY FOR AN END TO ACTS OF RETRIBUTION. THE GOVERNMENT IS MOVING FORWARD WITH PLANS TO INAUGURATE CIVILIAN RULE NEXT MONTH. THE HEAD OF STATE CONTINUES TO URGE OPPOSITION PARTIES TO TAKE THEIR SEATS IN

THE LEGISLATURE, EVEN THOSE WHO CURRENTLY ARE FACING CHARGES OF COMPLICITY IN THE COUP, IF THEY ARE NOT CONVICTED AND SENTENCED. WE VIEW IT AS ESSENTIAL THAT DOE AS PRESIDENT PURSUE HIS STATED INTENT TO SEEK NATIONAL RECONCILIATION AS HE FORMS HIS NEW GOVERNMENT. WE NOTE ALSO THAT SOME LEADING MEMBERS OF LIBERIA'S PRIVATE SECTOR ARE OF THE VIEW THAT THE TIME HAS COME TO JOIN IN EFFORTS AT HOME TO SAVE THEIR COUNTRY AT THIS CRITICAL TIME.

THE ROAD AHEAD WILL BE DIFFICULT AND UNCERTAIN FOR ALL. BUT IT IS DIFFICULT TO IMAGINE A COURSE OF ACTION THAT OFFERS BETTER PROSPECTS FOR ACHIEVING WHAT WE WANT TO DO. WE WANT TO INFLUENCE THE LIBERIAN GOVERNMENT TO ACT IN WAYS THAT I HAVE JUST MENTIONED TO PROMOTE NATIONAL RECONCILIATION AND RESPECT FOR HUMAN RIGHTS. WE WANT TO ENCOURAGE THE LIBERIAN GOVERNMENT TO INSTITUTE NEEDED MEASURES OF ECONOMIC REFORM THAT WILL RESTORE LIBERIA TO INTERNATIONAL CREDITWORTHINESS AND THAT WILL IMPROVE ITS ECONOMIC MANAGEMENT--BOTH KEY REQUIREMENTS FOR REVERSING THE ECONOMIC DECLINE OF THAT COUNTRY. WE WANT TO CARRY OUT AN ECONOMIC ASSISTANCE PROGRAM IN LIBERIA THAT WILL IMPROVE THE STANDARD OF LIVING AND QUALITY OF LIFE FOR ALL THE LIBERIAN PEOPLE WITH WHOM WE HAVE SUCH HISTORIC TIES. THESE GOALS ARE WORTH PURSUING ON BEHALF OF THE ASPIRATIONS THAT AMERICANS SHARE FOR LIBERIA AND OF OUR IMPORTANT INTERESTS THERE. AS WE FOLLOW THIS PATH, WE WILL CAREFULLY ASSESS ALONG THE WAY WHAT HAS BEEN ACHIEVED AND THE OPTIONS BEFORE US. WE INTEND TO REMAIN IN TOUCH WITH THE CONGRESS IN THIS EFFORT.

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Statement On

Liberia's Elections

The United States Congress, in authorizing security assistance to Liberia for fiscal year 1986, indicated that such assistance is based on an "expectation of a successful completion of free and fair elections . . . and on a return to full constitutional rule as a consequence of the elections." Liberians went to the polls on October 16, 1985 and the results were announced on October 30, 1985. According to the official results, Samuel Doe, who led the 1980 coup, was elected President with fifty-one per cent of the total vote, and his party won seventy-two of the ninety seats in the legislature. The three participating opposition parties, citing election day and post-election day irregularities, have challenged the announced results and are refusing to take their seats in the legislature.

This statement evaluates whether the Liberian elections meet the "expectation" set forth in the foreign assistance legislation. The evaluation is based on the standards set forth in Guidelines for International Election Observing (Guidelines), prepared by the International Human Rights Law Group (Law Group) pursuant to a grant from U.S. AID, and the Law Group's experience monitoring elections in eight countries during the past year.

The Law Group's Guidelines provide that for a free and fair election the following minimal conditions should exist in a country:

[1] no unreasonable limitations placed on a citizen's ability to participate in the political process . . . ;
[2] respect for the rights of freedom of expression, freedom of association and freedom of assembly for a period adequate to allow political organizing and campaigning . . . ; [and]
[3] that the integrity of the balloting process be respected.

Based on the evidence reviewed to date, the Law Group concludes that Liberia's elections can not be characterized as free and fair. This conclusion is based on the following:

1. two leading parties, which sought to participate in the political process, were unreasonably proscribed, leaders of these parties were imprisoned for significant periods during the preceeding twelve months and some leaders were "banned" from participating in any aspect of the electoral process;
2. freedom of expression in Liberia is severly restricted by Decree 88A, which was in effect throughout the campaign and which prohibits any criticism of the Government;
3. freedom of association was restricted as described above (in point 1.) and by the Special Election Commission's refusal to register any party other than the governing party until less than two months before the elections;
4. in view of political restrictions in Liberia during the past five years and the delays in registering the three participating opposition parties, there was an inadequate period to permit political organizing and campaigning; and
5. the integrity of the balloting process was not respected because, among other things, the Special Election Commission arbitrarily changed the election rules at its whim to prevent the political parties from monitoring the counting process and by appointing a special hand-picked board to supervise a recount.

The elections in Liberia are grounds for United States Congressional concern. Fraudulent elections often lead to political instability, including the possibility of a coup as in Nigeria or Panama where fraudulent elections occurred in 1983 and 1984 respectively. More important, a fraudulent election

represents a violation of the fundamental right of an individual to participate in the selection of his or her leaders.

Before any further assistance is provided to Liberia by the United States Government, Congress should examine carefully through hearings the recent developments relating to the elections including reports of election day and post-day irregularites. Such an examination does not amount to an intervention in the internal affairs of a foreign sovereign, but represents an attempt to ensure that United States foreign policy interests are respected. As Congress has made clear many times, it is not in the interest of United States foreign policy to support with material assistance nations which refuse to recognize the fundamental rights of their citizens.

In view of our conclusion that the elections were not free and fair, the Law Group recommends that security assistance to Liberia be terminated in accordance with the Congressional mandate. Economic assistance should be restricted to projects designed to benefit the poorer segments of Liberian society. Finally, the Government of Liberia should be encouraged to hold truly free and fair elections as soon as possible.

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The International Human Rights Law Group (Law Group) is a public interest law center concerned with the promotion of human rights. The Law Group's unique Election Observer Project developed Guidelines for International Election Observing in 1984. The Guidelines have been used by Law Group sponsored observer missions in Nicaragua, Uruguay, Grenada, El Salvador, Zimbabwe and Guatemala. The Law Group also has used the Guidelines in monitoring election-related developments in South Korea, Pakistan and Liberia.

A complete report on the Liberian elections is being prepared. For further information, please contact Larry Garber (202) 659-5023.

Responses of Secretary Crocker to questions asked by Senator Trible

Q: What is the Administration's view on the financial system in Liberia? Is Liberia's dollar system headed for demise? Is the United States Government going to continue to make it work? If so, how much longer can we continue?

A: Liberia is currently experiencing serious economic and financial difficulties, especially since most available resources were concentrated on meeting domestic expenses and on elections during the past year. The dollar system has become more tenuous with the issuance of increasing amounts of Liberian coins. There are now about $40 million in Liberian coins in circulation. Management of the monetary system in Liberia is essentially a Liberian responsibility. Nevertheless, we are urging the GOL to take necessary economic reform measures to improve the economy as well as help shore up the dollar system.

Q: If the dollar system fails in Liberia, what system will take its place? Does the United States Government have a plan to support a new Liberian Monetary System?

A: The dollar system is still in place in Liberia and it is premature to speculate about what would take its place. Numerous options exist as evidenced by the diversity of monetary systems in other African countries. Liberia could develop its own currency and establish an exchange rate system with the dollar. This might be either fixed, floating or a managed float. If Liberia decides to go off the dollar system, we would urge the GOL to avail itself of IMF assistance to manage an orderly transition.

Q: Are we going to withhold AID funds, especially ESF, given the recent election problems?

A: Sense of the House and the Senate resolutions have called on the Executive Branch to withhold disbursement of security assistance pending the accomplishment of various human rights goals. We are monitoring the human rights situation in Liberia very closely. Economic Support Funds have not yet been disbursed for 1986. Ultimate disbursement will be linked to the accomplishment of both political and economic goals.

Responses of Secretary Crocker to questions asked by Committee

QUESTION: How does Liberia's record on elections and human rights issues compare with that of its neighbors?

ANSWER: OF 16 WEST AFRICAN COUNTRIES IN THE AREA FROM MAURITANIA TO NIGERIA, ONLY LIBERIA, SENEGAL, AND GAMBIA CURRENTLY HAVE SYSTEMS WHICH PERMIT MORE THAN ONE PARTY TO COMPETE IN ELECTIONS. THE OTHER 13 STATES ARE EITHER ONE-PARTY STATES, MILITARY GOVERNMENTS, OR A COMBINATION OF THE TWO. SEVEN OF THE 16 COUNTRIES, INCLUDING LIBERIA, HAVE COMMERCIAL OR NON-GOVERNMENT-CONTROLLED PRESS AS WELL AS GOVERNMENT MEDIA. THE OTHER NINE HAVE EXCLUSIVELY GOVERNMENT-CONTROLLED MEDIA AND DO NOT PERMIT CRITICISM OF GOVERNMENT POLICY IN THE PRESS. ALMOST ALL, INCLUDING LIBERIA, ALLOW A VARIETY OF RELIGIONS TO PRACTICE WITHIN THEIR BORDERS AND GENERALLY ENSURE RELIGIOUS FREEDOM. THE CONSTITUTIONS OF MANY OF THESE COUNTRIES, INCLUDING THE NEW LIBERIAN CONSTITUTION, PROHIBIT ARBITRARY DETENTIONS AND EMPOWER COURTS TO ISSUE WRITS OF HABEAS CORPUS, BUT IN ALL 16 COUNTRIES INSTANCES OF PROLONGED PRE-TRIAL DETENTION IN SECURITY CASES CAN BE CITED. AS A GENERAL OVERALL MEASURE OF THESE COUNTRIES' HUMAN RIGHTS RECORDS, IT MAY BE OF INTEREST TO NOTE THAT FREEDOM HOUSE HAS LISTED FIVE OF THE 16 NATIONS AS "PARTLY FREE"--INCLUDING LIBERIA AND THE OTHER 11 AS "NOT FREE."

QUESTION: There has been an allegation of a $48 million leak in aid funds. What is being done about this?

ANSWER: WE ARE UNAWARE OF ANY ALLEGATION OF $48 MILLION IN MISSING AID FUNDS, AND THERE HAS BEEN NO SUCH "LEAK". IT IS PROBABLE THAT THE ALLEGATION CITED REFERS TO STATISTICS PUBLISHED IN A JUNE 28, 1985, INTERNATIONAL MONETARY FUND DOCUMENT REVIEWING THE LIBERIAN ECONMY. THIS DOCUMENT INCLUDES A SUMMARY OF GOVERNMENT FISCAL OPERATIONS WHICH SHOWS A RESIDUALLY CALCULATED FIGURE OF $48 MILLION FOR "UNALLOCATED EXPENDITURES" IN LIBERIAN FISCAL YEAR 1984/85 (ENDING JUNE 30, 1985). NO U.S. ASSISTANCE FUNDS ARE INCLUDED AMONG THE UNALLOCATED EXPENDITURES. LIBERIAN OFFICIALS HAVE EXPLAINED THAT THESE EXPENDITURES WERE PRIMARILY FOR MAINTENANCE AND IMPROVEMENT OF DAMS, ROADS, AND OTHER INFRASTRUCTURE. THE IMF, THE WORLD BANK, THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT AND OTHERS HAVE ADVISED THE GOVERNMENT OF LIBERIA THAT ALL REVENUES AND EXPENDITURES SHOULD BE INCLUDED IN THE GOVERNMENT BUDGET AND THAT CONCERTED EFFORTS ARE NEEDED TO ENSURE ADHERENCE TO THESE TARGETS.

QUESTION: When will the new legislature convene?

ANSWER: THE LEGISLATURE-ELECT IS EXPECTED TO MEET BETWEEN DECEMBER 12 AND JANUARY 6 TO ORGANIZE ITSELF AND ELECT ITS NEW OFFICERS. UNDER THE CONSTITUTION, THE MEMBERS OF THE LEGISLATURE MUST BE SWORN IN BY THE PRESIDENT AND THIS CANNOT TAKE PLACE UNTIL AFTER THE INAUGURATION ON JANUARY 6. THE INTERIM NATIONAL ASSEMBLY WILL CONTINUE TO FUNCTION UNTIL JANUARY 6.

QUESTION: What is the status of civilians detained in the immediate post-coup period either for being suspected of complicity or for protective security?

ANSWER: THE FOLLOWING LIST CONTAINS THE DEPARTMENT'S MOST RECENT INFORMATION ABOUT THE STATUS OF DETAINEES. WE CONTINUE TO URGE THE GOL TO PROVIDE ACCESS TO FAMILY OR OTHER OUTSIDE OBSERVERS FOR ALL DETAINEES, TO MOVE TOWARD A SPEEDY TRIAL IN CIVILIAN COURTS FOR ALL THOSE CHARGED, AND TO PROMPTLY RELEASE THE OTHERS. WE UNDERSTAND THAT INVESTIGATIONS ARE CURRENTLY BEING CONDUCTED IN PREPARATION FOR POSSIBLE TRIALS. THIRTY-ONE DETAINEES, AS LISTED IN THE ACCOMPANYING CHART, HAVE BEEN RELEASED AS A RESULT OF THOSE INVESTIGATIONS.

RELEASED DETAINEES

Released November 27, 1985

Edward Kesselly
Carlo Smith
Leslie Green
Jabaru Carlon
Gabriel Kpolleh

Released December 5, 1985

David Worzon
Sayou James Martin Gardgard
Moses Teah
Peter Doe
Joseph Jepah
James Ban
Morris Kemokai
Zee Moses Paygar
Robert Sisusa
Steven Zor
James Davis
Dahn Bron

Released December 11, 1985

Same E. Matadi
Gunkolon Zekpeh
Fufus Meszeh
Tuan Wreh
Emmanuel L. Shaw
Mary A. Brown-Sherman
Ernest A. Jenkins
Isaac Toby
Boima Yarkpawolo
Jimmy Fayeah
Emmanuel S. Kormah
J. Rudolph Grimes
Ervin Henrique Brooks
Kwame A. Clement

Released January 6, 1986

Byron Tarr
David Farhat
Issac Bantu
Samuel Jackson
Kona Khasu
Nyema Sackie
Nathaniel Williams
John Bryant
T. Bonner Wayga
Harry Greaves, Sr.
Peter Jallah
Momolu Sirleaf
Peter Johnson
Jerry Weah Bropleh
A. B. Gaye
James Sirleaf
Arthur Richards
Cooper Leterna

Released January 14

Patrick Nagbe
Gabriel Jebo
William Fannoh
Ben Put
Yarsuo Weh-Dorliae
Denys Nimely
Vincent Doe
Vincent Fannon
Nelson Nagbe

CURRENTLY UNDER DETENTION

Ellen Johnson-Sirleaf *
James K. Holder
Jackson F. Doe *
Robert Phillips

*Seen by family or friends

QUESTION: Why did Doe place restrictions on reporting by international journalists after the coup? What is the current situation?

ANSWER: THERE HAS BEEN NO FORMAL ANNOUNCED "BAN" ON REPORTING BY INTERNATIONAL JOURNALISTS. DURING THE ELECTION PERIOD, IN FACT, SEVERAL JOURNALISTS REPRESENTING PRINCIPAL AMERICAN AND OTHER INTERNATIONAL PRESS ORGANIZATIONS VISITED LIBERIA AND REPORTED WITHOUT RESTRICTION ON THE EVENTS OF THE ELECTION CAMPAIGN.

FOLLOWING THE NOVEMBER 12 COUP ATTEMPT, HOWEVER, THE CLOSURE OF THE AIRPORT AND THE STRICT DUSK-TO-DAWN CURFEW PRECLUDED THE ENTRY OF JOURNALISTS. DURING THIS PERIOD, CONVENTIONAL REPORTING ACTIVITIES BY FOREIGN JOURNALISTS WOULD HAVE BEEN IMPOSSIBLE AND DANGEROUS.

SINCE THE RESUMPTION OF FLIGHTS AND THE ELIMINATION OF THE CURFEW, JOURNALISTS SHOULD ONCE AGAIN BE ABLE TO ENTER LIBERIA FREELY. FOR EXAMPLE, WE UNDERSTAND THAT A JOURNALIST FOR THE NEW YORK TIMES WAS INVITED TO INTERVIEW HEAD OF STATE DOE IN RESPONSE TO A REQUEST BY THE NEWSPAPER. THE INTERVIEW WAS ARRANGED BY THE MINISTRY OF INFORMATION.

QUESTION: What is the effect on the Liberian economy at the introduction of more coins?

ANSWER: LIBERIA IS A DUAL CURRENCY COUNTRY. U.S. NOTES AND COINS CIRCULATE SIDE BY SIDE WITH LIBERIAN COINS, WHICH ARE MINTED IN UP TO THE $5 DENOMINATION; THE TWO CURRENCIES ARE LEGALLY AT PAR. THE SUPPLY OF U.S. NOTES VARIES WITH THE BALANCE OF PAYMENTS.

IN THE PAST LIBERIA HAS BEEN ABLE TO ISSUE SMALL AMOUNTS OF ITS OWN COINS. THIS HAS SERVED A USEFUL FUNCTION IN THAT IT PROVIDED THE SMALL CHANGE NECESSARY TO EASE SMALL LOCAL ECONOMIC TRANSACTIONS AND ALLOWED LIBERIA SOME GAIN FROM SEIGNIORAGE. RECENTLY HOWEVER THE QUANTITY OF COINS ISSUED HAS INCREASED SIGNIFICANTLY AS THE GOL HAS USED COINS TO FINANCE PART OF ITS BUDGET DEFICIT. WHEN COMBINED WITH A STRONG U.S. DOLLAR OUTFLOW FROM LIBERIA, THE ISSUANCE OF NEW COINS INCREASES THE LIBERIAN DOLLAR/U.S. DOLLAR CURRENCY RATIO. IF THAT INCREASE CONTINUES, IT WILL EVENTUALLY CAUSE A DIVERGENCE IN THE VALUE OF THE TWO CURRENCIES AND LIBERIA WILL BE FORCED OFF THE DOLLAR STANDARD.

THE UNDERLYING ISSUE IS LIBERIA'S SEVERE BUDGET DEFICIT (ESTIMATED AT OVER 15 PERCENT OF GDP IN FY 84/85). AN IMPORTANT COMPONENT OF THIS DEFICIT IS THE LARGE AND UNRESCHEDULABLE DEBT SERVICE PAYMENTS TO MULTILATERAL INSTITUTIONS. UNLESS LIBERIA TAKES ACTION TO REDUCE ITS OVERALL DEFICIT, THE SUPPLY OF LIBERIAN COINS WILL CONTINUE TO INCREASE. EVENTUALLY THERE WILL

NOT ONLY BE AN ABANDONMENT OF THE DOLLAR STANDARD, BUT ALSO A LARGE INCREASE IN LIBERIA'S TRADITIONALLY LOW RATE OF INFLATION. ACCORDINGLY BOTH WE AND OTHER DONORS ARE ENCOURAGING LIBERIAN AUTHORITIES TO TAKE STRONG AND RAPID ACTION TO IMPROVE THEIR BUDGET SITUATION.